

U.S. Department of State Program Performance Report Fiscal Year 2001



“We are America’s first line of offense.”

**Colin L. Powell
Secretary**

March 2002

UNITED STATES DEPARTMENT OF STATE



Program Performance Report Fiscal Year 2001

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DIPLOMACY: THE STATE DEPARTMENT AT WORK

There is no country on Earth that is not touched by America, for we have become the motive force for freedom and democracy in the world. And there is no country in the world that does not touch us. We are a country of countries with a citizen in our ranks from every land. We are attached by a thousand cords to the world at large, to its teeming cities, to its remotest regions, to its oldest civilizations, to its newest cries for freedom. This means that we have an interest in every place on this Earth, that we need to lead, to guide, to help in every country that has a desire to be free, open and prosperous.

The Bush Administration came into office determined to strengthen our diplomatic capacities as an essential pillar of our national security. I pledged to do my utmost to use existing resources wisely and to work intensively with Congress to obtain the level of funding necessary to conduct foreign policy in the 21st century.

In the first year of the new Administration, the United States rose to a host of international challenges, not least the worldwide challenge posed by terrorism. Diplomatic tools have proved invaluable in helping President Bush marshal and maintain the global anti-terrorism coalition. Adroit U.S. diplomacy helped a liberated Afghanistan establish an interim governing authority and an agreed path to a representative, stable government. American diplomacy has been a critical component of humanitarian relief efforts and a crucial catalyst for the international reconstruction effort for Afghanistan. Equally important, U.S. diplomacy has been, and will continue to be, instrumental in tightening the noose on terrorist organizations all around the world by helping to cut off their financial lifelines, denying them support and sanctuary and keeping weapons of mass destruction out of their hands.

While the global campaign against terrorism has been of the highest priority, the Department of State has helped the President advance a far broader foreign policy agenda. We have fostered democracy and free trade in our Hemisphere and around the globe. We spearheaded the successful launch of new global trade talks within the World Trade Organization. We have worked with our partners in the Atlantic and Pacific to modernize our alliances. We have begun to build a new strategic framework with Russia. We have established a constructive, forward-looking relationship with China. We have put our relationships with both India and Pakistan on a more positive footing. We have been at the forefront of international efforts

to stem the HIV/AIDS pandemic. And we have worked to resolve conflicts in the Balkans, Africa, South Asia, South America, the Middle East and other troubled regions.

In the years ahead, the anti-terrorism campaign will continue to place unprecedented demands on our diplomatic personnel and resources. Yet, even as we press forward against terrorism, the men and women of the Department of State will continue to actively promote America's values and interests across the full range of international issues, from good governance to sustainable development and international stability.

Thanks to strong support from the President and broad bipartisan backing from Congress, we have begun to address the severe deficits in human and material resources that have impeded the conduct of our foreign policy mission in recent decades. I am pleased to report that over the past year, we have made significant strides in the key areas of hiring, information technology and embassy construction and security.

The Fiscal Year 2002 budget request resulted in an increase in resources for State Department operations and we are applying it to meet priority needs. We broke recruiting records and we are now busy training the new employees and putting them to work. Our overseas building program has prospered under new management practices which have resulted in a more detailed and disciplined construction plan. New construction proceeds at a brisk pace. Our program to bring state-of-the-art information technology to the entire Department is moving forward. Security enhancement—including new security hiring—is also underway at our facilities at home and abroad.

Every day, the men and women of American diplomacy are working hard in often difficult and dangerous places to keep their fellow Americans safe and to shape a freer, more prosperous, peaceful world—a world where terrorism cannot thrive.

I invite your attention to this report. I believe it shows that the Department of State has been a wise steward of the people's money.

Like the fine Americans who serve in our military, the men and women of the Department of State serve on the frontlines of freedom. We will not send our military into action without the best support, equipment, and training in the world. We must not give our diplomats any less.

Colin L. Powell, Secretary of State

THE DEPARTMENT OF STATE'S MISSION

***Create a more secure, prosperous, and democratic world
for the benefit of the American people.***

U.S. diplomacy is an instrument of power, essential for maintaining effective international relationships, and a principal means through which the United States defends its interests, responds to crises and achieves its international goals. The Department of State is the lead institution for the conduct of American diplomacy, a mission based on the role of the Secretary of State as the President's principal foreign policy adviser.

In order to carry out U.S. foreign policy at home and abroad, the Department of State:

- Exercises policy leadership, broad interagency coordination, and management of resource allocation for the conduct of foreign relations;
- Leads representation of the United States overseas and advocates U.S. policies with foreign governments and international organizations;
- Coordinates, and provides support for, the international activities of U.S. agencies, official visits, and other diplomatic missions—in short, the Diplomatic Readiness of the U.S. Government;
- Conducts negotiations, concludes agreements, and supports U.S. participation in international negotiations of all types;
- Coordinates and manages the U.S. Government response to international crises of all types;
- Carries out public diplomacy and public affairs;
- Reports on and analyzes international issues of importance to the U.S. Government;
- Assists U.S. business;
- Protects and assists American citizens living or traveling abroad;
- Adjudicates immigrant and nonimmigrant visas to enhance U.S. border security; and
- Manages those international affairs programs and operations for which State has statutory responsibility.

National Interests, Strategic Goals, and Diplomatic Readiness Platform

National Interest: National Security

RS Regional Stability

WD Weapons of Mass Destruction

National Interest: Economic Prosperity

OM Open Markets

EX U.S. Exports

EG Global Economic Growth

ED Economic Development

National Interest: American Citizens and U.S. Borders

AC American Citizens

TM Travel and Migration

National Interest: Law Enforcement

IC International Crime

ID Illegal Drugs

TE Countering Terrorism

National Interest: Democracy

DE Democracy

National Interest: Humanitarian Response

HA Humanitarian Assistance

National Interest: Global Issues

EN Environment

PO Population

HE Health

The 16 goals on the left are strategic goals; they deal with specific mission purposes and U.S. Government policies. The four below deal with essentials of our providing “diplomatic readiness.”

The first one represents broad program work that simultaneously supports whatever strategic goals an organization identifies in its plan.

Diplomatic Activity

MU Mutual Understanding

We call the final three our Diplomatic Readiness Platform. They are critical to our achievement of any program goals.

Diplomatic Readiness Platform

HR Human Resources

IR Information Resources

IO Infrastructure and Operations

**THE DEPARTMENT OF STATE'S
FY 2001 PERFORMANCE GOALS**

NATIONAL SECURITY

Regional Stability RS

- RS.01 Close ties with neighbors and key allies
- RS.02 Stable, secure regional partners
- RS.03 Tools for conflict prevention/ resolution
- RS.04 Resolution of outstanding regional conflicts

Weapons of Mass Destruction WD

- WD.01 Prevent, contain, reverse proliferation
- WD.02 Reduce weapons and stockpiles
- WD.03 Nonproliferation commitments
- WD.04 Verification of compliance
- WD.05 Nuclear safety

ECONOMIC PROSPERITY

Open Markets OM

- OM.01 International framework
- OM.02 Developing and transitional economies
- OM.03 Garner public support

U.S. Exports EX

- EX.01 Expand U.S. exports

Global Economic Growth EG

- EG.01 Global economic growth and stability

Economic Development ED

- ED.01 Developing and transitional economies

AMERICAN CITIZENS AND U.S.

BORDERS

American Citizens AC

- AC.01 Support U.S. citizens abroad
- AC.02 Passport issuance and integrity

Travel & Migration TM

- TM.01 Travel and immigration to U.S.

LAW ENFORCEMENT

International Crime IC

- IC.01 Law enforcement, judicial institutions
- IC.02 Transnational organized crime

Illegal Drugs ID

- ID.01 Reduce cultivation
- ID.02 Enhance interdiction

Countering Terrorism TE

- TE.01 Threat against American citizens and interests

DEMOCRACY

Democracy DE

- DE.01 Political systems and practices
- DE.02 Human rights
- DE.03 Worker rights
- DE.04 Religion and conscience

HUMANITARIAN RESPONSE

Humanitarian Assistance HA

- HA.01 Protection, assistance, and solutions
- HA.02 Mitigation and preparedness
- HA.03 Humanitarian demining

GLOBAL ISSUES

Environment EN

- EN.01 International private capital
- EN.02 International treaties and agreements
- EN.03 International initiatives and assistance

Population PO

- PO.01 Sustainable world population

Health HE

- HE.01 International health

DIPLOMATIC ACTIVITIES

Mutual Understanding MU

- MU.01 Mutual understanding

DIPLOMATIC READINESS PLATFORM

Human Resources HR

- HR.01 Hire and retain the right people
- HR.02 Training and development
- HR.03 Work-life programs & retention

Information Resources IR

- IR.01 Modern IT infrastructure and systems

Infrastructure and Operations IO

- IO.01 Diplomatic Security
- IO.02 Overseas and domestic facilities
- IO.03 Core management systems
- IO.04 Administrative programs

REGIONAL STABILITY



The President's national security strategy is based on diplomatic leadership, a strong military, and effective intelligence. Traditional diplomacy conducted through alliances and country-to-country relations contributes significantly to national security. But U.S. interests may require more determined action to prevent, manage, and resolve ethnic conflicts, civil wars, territorial disputes, and humanitarian disasters anywhere in the world, and to counter terrorist threats. In some cases, the United State may be the only nation capable and ready to respond, with or without the support of other countries.

To build effective working relationships with leading regional states, we further cooperation and defense trade controls, we want to more effectively further our cooperation through alliances, military assistance, and defense trade controls. To decrease the likelihood of future conflicts, the United States may seek imposition of multilateral sanctions on violators of international norms of behavior. Building a consensus with foreign partners that the United States is an important participant in the international peacekeeping process is also essential for resolving regional conflicts. Efforts to increase global economic growth and stability play a role in fostering regional stability. We have also built a structure of arms control, such as Conventional Forces in Europe, and Confidence and Security Building Measures, such as Open Skies, the Vienna Document, and humanitarian demining, that further underpins stability around the world.

Regional instability can result from a variety of causes. Ethnic or tribal animosities, religious discord, and competition and confrontation over scarce natural resources have been the sources of conflicts and a threat to regional stability throughout the ages. Overly ambitious, or weak political leaders or policies, the lack of economic development, and the unequal distribution of wealth, influence or power are some of the other conditions that may potentially result in localized conflict, either within the borders of a single state or throughout a relatively limited geographic region.

The Department of State has a wide variety of tools that may be used to prevent or resolve conflict and contribute to stability around the world. In FY '01, we promoted regional stability through a number of diplomatic strategies—economic and development assistance, humanitarian relief efforts, regional management of transboundary resources such as water, military security assistance, preventive diplomacy, confidence building measures, and international information sharing.

Diplomacy has been the vanguard of U.S. efforts to establish, maintain, and strengthen close stable ties with our neighbors, friends, and allies around the world. The September 11 terrorist attacks on the United States clearly demonstrated the value of our diplomatic relationship with traditional friends and allies and sparked a search for new allies in the war on terrorism and. Our NATO Allies agreed immediately to invoke Article V for the first time in the Alliance's history, making it plain to our enemies that the attack on the United States constituted an attack on all NATO members. Likewise, in the Western Hemisphere the Rio Treaty was invoked, making the international solidarity we have even more clear. Australia invoked our Mutual Defense Treaty to declare that the attacks on the U.S. were attacks on Australia, and Japan enacted a new law to enable its forces to participate in an international military campaign for the first time since World War II. We received significant military cooperation as well as offers of humanitarian assistance from nations around the world. At the United Nations, the Security Council condemned the September 11 attacks as a threat to international peace and stability and imposed obligations on all UN members to take concrete action to fight terrorism.

Diplomacy, along with economic assistance, humanitarian relief efforts, and military security assistance, promotes a sense of stability, security, and independence in foreign countries. The United States provided foreign assistance totaling more than \$6 billion in FY '01 to assist recipient countries

in fostering democracy, development and global stability. Military security assistance of almost \$3.9 billion is a critical U.S. foreign policy tool for promoting U.S. interests around the world. It ensures that coalition partners and friendly foreign governments are equipped and trained to provide for their own security and are increasingly interoperable with U.S. forces. This allows them to work with us toward common security goals and to share the burden of joint missions. The Department also contributed \$40 million to humanitarian demining and actively managed demining programs around the world. This resulted in a reduction in deaths and injuries, created safe conditions for the return of hundreds of thousands of internally displaced persons and refugees, and enabled significant social and economic reconstruction to take place in former areas of conflict.

In addition to contributing to the stability and security of the recipients, the Department's economic and military security assistance provides tools that the countries can use to prevent or resolve local regional conflicts. One particularly effective program is the Enhanced International Peacekeeping Capabilities (EIPC) program initiative, a program that the Department of State funds and for which it provides policy oversight. The EIPC program is a grant aid program (\$5.97 million in FY '01) designed to assist countries in building up their peacekeeping capabilities. This is a small, but extremely cost-effective use of assistance funds through which we promote interoperability in peacekeeping operations and increase the pool of countries able to undertake these operations all over the world.

The Department uses diplomacy, as well as assistance, in efforts designed to resolve regional conflicts and maintain the peace. With U.S. diplomatic backing for many of its provisions, the UN endorsed key peacekeeping reforms, including improvement of the UN's ability to attract and deploy qualified military and civilian personnel, and restructuring and strengthening the UN's Department of Peacekeeping Operations (DPKO). The UN approved funding for 93 new positions in DPKO, enhancing planning and operational capabilities. The UN's efforts to reform and strengthen its peacekeeping capabilities, particularly the capacity to plan, rapidly deploy, and manage peacekeeping operations, will reinforce our own efforts to resolve regional conflicts in order to enhance regional stability.

After an exhaustive, year-long effort, the U.S. achieved a major reform goal in December 2000 when the United Nations (UN) membership adopted revisions to the scales of assessment for both the UN regular and peacekeeping budgets. These reforms resulted in a lowering of the ceiling (the maximum amount paid by any UN member) in both budgets. This achievement set the stage for ultimate release to the UN (in early FY2002) of the largest piece of arrears -- \$582 million in UN peacekeeping arrears authorized under Helms-Biden.

The Department of State, using all the tools at its disposal and through a variety of strategies, is working diligently to improve the abilities of organizations and countries to combat the problems of lax security, terrorism, natural disasters and regional wars. We reinforce relations with old friends and allies and build bridges to new partners to enhance their stability and to help provide them with the capacity to achieve common security goals, and to participate in joint missions to contain and defuse security crises and to respond to humanitarian emergencies. The world is not conflict free. It never has been and never will be. The Department of State, however, has endeavored throughout FY '01 and will, in the future, continue to strive to make it a better, safer, and more secure place for America and its friends.

National Interest	Regional Stability	Performance Goal #	RS-01
Strategic Goal			
Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.			
Performance Goal			
Close, stable ties with U.S. neighbors and key allies exist.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <p>FY '01 clearly demonstrated the degree to which the United States has used diplomatic tools and key diplomatic relationships to develop close, stable ties with its neighbors and key allies. The fact that nations around the world quickly offered humanitarian and military assistance to the United States in the aftermath of the terrorist attacks of September 11 is a visible sign of the strong durable ties that the United States has developed around the world.</p> <p>In addition to achieving the FY '01 targets for both of the performance indicators for this performance goal, there are numerous other indicators of the success the United States has had in developing close stable ties. Turkey and Greece remain committed NATO Allies and rapprochement between them continues. Initiatives included military confidence building measures such as downscaling annual military exercises, government-to government contacts to include regular exchange visits by their foreign ministers and meetings at the technical level to help Turkey with European Union accession issues, and people-people contacts. There is Greek cooperation in the Balkans, including promotion of the implementation of the framework agreement. In addition, the United States and Greece concluded a Cooperative Technical Agreement that will be the cornerstone for a 21st century defense partnership. Senior State Department officials encouraged Turkey and the U.K. to reach agreement on European Security and Defense Policy and Department personnel have participated in a series of meetings that resulted in a text. Turkish Prime Minister Ecevit has confirmed Turkey's support for the agreement that is now pending EU approval. An agreement between Turkey and the European Union would represent a significant step forward on EU-NATO cooperation.</p> <p>In Central Asia, the United States has sought to dramatically enhance our engagement and cooperation with the Governments of Uzbekistan and Tajikistan and used a strategy of bilateral assistance, high-level visits, and sustained working-level dialog to encourage both governments to explore new areas of substantive cooperation. In Uzbekistan, their Government's high degree of support for Operation Enduring Freedom (OEF) demonstrates the effectiveness of U.S. efforts to build these relations. In the case of Tajikistan, our initial lack of a full-time diplomatic presence, and therefore less regular, established contact, meant that more time was required to develop support for OEF but still resulted in remarkable cooperation. In Asia, close consultations with treaty allies resulted in cooperation on a range of regional security issues. Australia, Japan, the Republic of Korea, and New Zealand have deployed military forces to support the anti-terrorism campaign in Afghanistan. Thailand and the Philippines have shown special efforts to keep in close consultation and cooperation during OEF. After detailed negotiations, the Department concluded a Special Measures Agreement with the Republic of Korea that more fairly distributes the burden of basing U.S. troops in Korea.</p> <p>Secretary Powell has noted that diplomacy is now understood to be the United States first line of offense, as well as its most cost-effective means of promoting regional stability.</p>			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Strong European security relationships	<p>Heads of State and Government at 1999 Washington Summit approved and revised Strategic Concept that endorses new Missions, outreach to partners, enhances European Security Defense Identity (ESDI), transforms defense capabilities, and responds to weapons of mass destruction (WMD) threats. NATO outlines strategy implementing defense capabilities, WMD and ESDI initiatives</p>	<p>Allies make progress on Summit-approved initiatives, including the revised Strategic Concept, ESDI elements, and Open Door. Membership Action Plan (MAP) launched. NATO-Russia relationship renewed and expanded beyond Stabilisation Force (SFOR) and Kosovo Force (KFOR). Initial work begins on Summit commitments to define and adopt necessary arrangements for ready access by EU and NATO assets and capabilities in EU-led operations. Start up of NATO WMD Center</p>	<p>NATO-EU links to assure effective mutual consultation, cooperation, and transparency. Appropriate mechanisms for participation of non-EU Allies within security deliberations. MAP process continues; groundwork laid for Open Door decisions. NATO Information Office and Military Liaison Office open in Moscow. Ukraine begins defense reform</p>	<p>ESDI participation issue resolved, ensuring appropriate mechanisms for participation of non-EU Allies in ESDI and opening door to final arrangements for NATO-EU links.</p> <p>Aspirants continue to use the MAP effectively to prepare for NATO membership. NATO heads of state and government reinforce commitment to Open Door, agreeing to launch another round of enlargement at their November 2002 Prague Summit.</p> <p>Progress toward new NATO-Russia relationship. NATO Information Office opened. Arrangements for Military Liaison near completion.</p> <p>Ukraine makes some progress on defense reform; continues to seek closer engagement with NATO.</p>
Verification	<p>Source: Mission reporting, open sources</p> <p>Storage: Department of State files</p>			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Bilateral security cooperation with Japan	Japanese Diet approved Revised Defense Guidelines implementing legislation	Japanese Government identifies replacement site for U.S. military facilities at Futenma; Special Measures Agreement (SMA) negotiations completed.	U.S. and Japanese Governments determine type of replacement facility to build, including sea, land, or a combination of options; SMA ratified and implementation begins.	<p>Both sides moved to resolve the Futenma replacement facility issue, with the Japanese close to a final decision on a location and construction method for the replacement facility to be constructed at Nago. Progress was made because both sides understood that resolution of the issue was important and that basic decision-making could not be further delayed. However, the Japanese Government must now respond to the local community's concerns. This process is ongoing and should be completed in due course.</p> <p>Current SMA in operation after completion of negotiations in 2000. The successful conclusion of negotiations resulted from the need perceived on both sides to conclude negotiations in a timely and effective manner in order to assure mutually acceptable financing of our base presence and thereby avoid disrupting base operations over financial issues.</p>
Verification	Source: Mission, Department of State/EAP, PM, U.S. Agency for International Development, Department of Defense Storage: Department of State/EAP Bureau files			
Countries	Worldwide			
Lead Agency	Department of State			
Partners	<p>Department of State: AF, EAP, EUR, NEA, SA, WHA, H, AC, DRL, EB, ECA, IIP, IO, INL, NP, OES, PA, PM, PRM, S/P, PICW, S/WCI, VC, and INR</p> <p>Other U.S. Government: Commerce, Drug Enforcement Administration, Department of Defense, Department of Energy, Environmental Protection Agency, Federal Bureau of Investigation, Peace Corps, Treasury, U.S. Agency for International Development, U.S. Trade Representative</p> <p>Multilateral: Association of South East Asian Nations, European Union, Organization of American States, Organization for Economic Cooperation and Development, Organization for Security and Cooperation in Europe, North Atlantic Treaty Organization, United Nations, World Trade Organization, Gulf Cooperation Council</p> <p>Nongovernment Organizations: International financial institutions, media, and corporations</p>			

National Interest	Regional Stability	Performance Goal #	RS-02
Strategic Goal			
Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.			
Performance Goal			
Stable and secure regional partners.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <p>Stability and security depend as much on economic development as it does on conflict avoidance. In addition to achieving the specific targets established for both of this goal's performance indicators, the United States has successfully used diplomatic efforts to contribute to the stability and security of our partners throughout the world in a variety of other ways.</p> <p>One example can be found in the Caspian Region. U.S. Caspian Basin energy diplomacy is predicated on the need to help countries in the Caspian Region ensure their continued independence, sovereignty, and sustainable economic growth. While many factors will affect regional stability in the Caspian, the availability of export routes for oil and natural gas will allow the countries to gain needed foreign exchange and investments that can provide a basis for economic development in other spheres. Crucial to this development will be the implementation of economic sector reforms, including measures to combat corruption, stabilize the banking system, rationalize taxation and tariff regimes, and support the rule of law and respect for contractual rights. State is working on multiple fronts to further these related objectives. The President's Coordination Committee (PCC) on Caucasus and Central Asia's Caspian Seniors Group meets regularly (2-3 times per month) to review progress and assess follow-up options. For example, working with the Department of Defense, we have developed a program to address the physical security of the new pipelines in Georgia — this program will provide additional benefits in helping Georgia rationalize its military and security forces. In addition, the U.S. has held discussions with the European Union to review possible and practical multilateral approaches in the region. The State Department pursued a policy of intensive engagement with Kazakhstan in order to further its aims of promoting multiple pipeline routes and regional energy interdependence. This goal was partially achieved. In November 2001, Kazakhstan and Russia formally opened the Caspian Pipeline Consortium, with U.S. Government and private-sector support. Kazakhstan still has not taken concrete steps to commit the transfer of Caspian oil through the Baku-Tbilisi-Ceyhan pipeline, but has recently indicated it will be willing to do so. During senior-level visits and through daily Embassy contact, we continue to encourage Kazakhstan to take these steps.</p> <p>The United States continues to coordinate with allies and other countries to agree upon and implement a new system of sanctions to prevent the Iraqi regime from obtaining weapons of mass destruction. The U.S. made progress toward this goal in FY '01 and will work for final agreement in the coming year.</p>			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Chinese cooperation on regional security in Cross-Strait relations and in engaging North Korea	Dialog was initiated and subsequently suspended.	Cooperation on regional security selective and episodic (e.g., helpful on South Asia, grudging on Iraq; Cross-Strait dialog suspended; efforts with regard to North Korea positive, although limited and opaque. Chinese pledge not to assist in any way Missile Technology Control Regime (MTCR) class missile programs, including in regions of instability (e.g., South/Southwest/ Northeast Asia	Regional security cooperation and coordination increased; resume Cross-Strait dialog. Increased Chinese efforts to elicit North Korean cooperation; greater People's Republic of China willingness to share information. More active Chinese role in restraining South Asia arms race and restart Indo-Pakistani dialog.	<p>Continued concern with the PRC arms buildup across the Taiwan Strait. The United States continues to support Cross-Strait dialog, but progress has been slow because the PRC views U.S. arms sales to Taiwan as threatening and China has attempted to link it with other nonproliferation goals.</p> <p>The PRC has cooperated in encouraging North Korean openness, North-South dialog, and a peaceful resolution to issues on the Korean Peninsula because the PRC shares our interest in a peaceful and stable Korean Peninsula — its geographic back door — and will likely continue to do so.</p> <p>There are continued concerns about PRC missile-related transfers to Pakistan. Pakistan is a long-time strategic ally of the PRC and concerns about missile-related transfers led to the September 1, 2001 missile sanctions. We continued to use high-level meetings and other conversations to seek authoritative Chinese clarification of its nonproliferation-related commitments.</p> <p>Chinese support for peaceful resolution of South Asian issues. China shares the goal of a stable South Asia and remains concerned about a conflict breaking out between its nuclear neighbors. Continued Chinese support for a stable and cooperative Pakistan in the war on terrorism will be crucial.</p>
Verification	Source: Mission reporting, open sources Storage: Department of State/EAP Bureau files			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Conventional Armed Forces in Europe (CFE) Treaty	CFE adaptation negotiations continue.	CFE adaptation negotiations successfully completed; Adapted Treaty and Final Act concluded; circumstances not ready for Entry into Force (EIF).	EIF of Adapted CFE Treaty; Review Conference successfully concluded/advances U.S. and North Atlantic Treaty Organization (NATO) interests	We made good progress toward the first target, in part by successful achievement of the second target. Russia moved toward compliance with its 1999 Istanbul Commitments regarding flank levels and Russian forces in Georgia and Moldova. During the year, the United States and its NATO Allies declared, in several NATO Communiqués, that verifiable Russian compliance with its Istanbul Commitments was a precondition for their ratification of the Adapted CFE Treaty. NATO solidarity remained strong at the Second Review Conference of the CFE Treaty, making its position clear in the Formal Conclusions despite Russian resistance. The United States and its NATO Allies will maintain this position, because while the Adapted Treaty will contribute to greater security and stability in Europe, that benefit is realizable only in the context of full and verifiable compliance with obligations and commitments. It appears that NATO firmness and solidarity, coupled with intensive diplomatic efforts with Russia, Georgia, and Moldova might be paying off. The Russians are making some serious moves toward compliance. If these moves can be verified, there is a good possibility that NATO countries will be able to consider ratification of the Adapted CFE Treaty in 2002.
Verification	Source: Department of State/AC Bureau, USOSCE reporting Storage: Department of State files			
Countries	Worldwide			
Lead Agency	Department of State			
Partners	<p>Department of State: AF, EAP, EUR, NEA, SA, WHA, H, AC, DRL, EB, ECA, IIP, IO, INL, NP, OES, PA, PM, PRM, S/P, PICW, S/WCI, VC, INR</p> <p>Other U.S. Government: Commerce, Drug Enforcement Administration, Department of Defense, Department of Energy, Environmental Protection Agency, Federal Bureau of Investigation, Peace Corps, Treasury, U.S. Agency for International Development, U.S. Trade Representative</p> <p>Multilateral: Association of South East Asian Nations, Economic Community of West African States, European Union, Organization of American States, Organization for African Unity, Organization for Economic Cooperation and Development, Organization for Security and Cooperation in Europe, North Atlantic Treaty Organization (NATO), Southern African Development Community, United Nations, World Trade Organization [Nongovernmental organizations:]</p> <p>International financial institutions, media, and corporations</p>			

National Interest	Regional Stability	Performance Goal #	RS-03
Strategic Goal			
Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.			
Performance Goal			
Develop conflict prevention/conflict resolution tools.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <p>The Department of State used a wide variety of strategies to provide nations with the tools necessary to prevent or resolve conflicts. FY '01 targets for five of the six performance indicators in the performance goal were met. Although resistance to a new mandatory arms reporting category in the Wassenaar Arrangement crumbled, one country continued to oppose the initiative. The Department exceeded the target concerning the Organization of American States Arms Acquisition Transparency Convention. In addition, there are numerous additional indicators of the Department's success toward this performance goal.</p> <p>On the diplomatic front, primary responsibility for U.S. oversight/participation in the Northern Ireland peace process moved from the White House back to the State Department. In March, President Bush appointed Ambassador Richard Haass as the administration's "point person" on Northern Ireland. Ambassador Haass immediately established a working relationship with the Governments of Ireland and the United Kingdom, with the Northern Ireland Office, and with the key political parties in Belfast. He was successful in clearly delineating the role of the Department of State in the process and in implementing that role. The Department has contributed to conflict prevention and conflict resolution through the United Nations as the United Nations Interim Administration in Kosovo (UNMIK) planned and implemented the first Kosovo local elections in FY '01 and, later in the year, laid groundwork for successful province-wide elections. The UN Security Council reached agreement gradually to downsize UNIFIL, laying the basis for a conversion to a more effective monitoring force following Israel's withdrawal from southern Lebanon. And finally, the Department developed a "smart" sanctions proposal to revitalize existing Security Council controls against Iraq and continued efforts to build Security Council consensus in support of more effective controls.</p> <p>Reducing the availability of small arms and light weapons (SA/LW) for terrorists, organized criminals and violent insurgent groups is another effective conflict prevention tool. The successful conclusion of the UN Conference on the Illicit Trade in SA/LW in July 2001 and the OSCE Document on SA/LW in November 2000 mark significant progress in this area. The UN Program of Action mandates controls on exports and imports of SA/LW and international cooperation to curb illicit trafficking. The Declaration by the European Union and the United States on the Responsibilities of States and Transparency Regarding Arms Exports is an important step toward developing an international code of conduct on arms transfers. At the December 2000 Plenary, Wassenaar Arrangement Participating States agreed to adopt U.S.-proposed controls on exports of Man-Portable Air Defense Systems. However, despite near-consensus, the additional reporting category of Small Arms/Light Weapons was not approved at the 2000 Plenary. The Department has also negotiated and financed the destruction of over 115,000 surplus and collected Small Arms and Light Weapons and associated ammunition in Southern Africa and the Balkans. The destruction of these weapons prevents their continued illegal circulation in regions of conflict, promoting stability and helping to protect civilians and peacekeepers. As an international information tool, the Department produced an Electronic Journal on Small Arms and Light Weapons for the UN Conference on Small Arms in July and has created a Web Page on Conflict Resolution and Peacekeeping for use as an informational resource for overseas Missions and clients.</p>			

FY '01 RESULTS AS OF 9/30/01 (cont'd)

The Department has also actively promoted peacekeeping. All countries that have received funding under the Enhanced International Peacekeeping Capabilities (EIPC) initiative are taking decisive steps to increase their involvement in international un-mandated peacekeeping operations and contribute to the prevention and resolution of regional conflicts. Argentina developed the pre-eminent PKO training center in Latin America, which trains its officers and units for UN PKO deployment and also trains officers from neighboring countries. As a result of EIPC funding and country assessment, Nepal established a permanent training course. Mongolia, a country that had no peacekeeping program 4 years ago, has established peacekeeping as its military's first goal and has set up two battalions. Mongolia has offered its forces to the UN and has engaged with U.S. Pacific Command to participate in joint exercises. The Defense and Foreign Ministers have cited EIPC as the impetus for their country's peacekeeping program. Thailand deployed significant forces to the UN mission in East Timor and invested substantial national capital to establish a permanent training center. Chile's Defense Minister cited EIPC as the key reason that Chile decided to send helicopters and support personnel to the UN PKO in East Timor (their most ambitious commitment to date). The Department of State also funds the participation of more than 800 U.S. civilian police who promote the civilian aspects of operations and conflict resolution in various locations around the world.

The African Crisis Response Initiative (ACRI) has also significantly enhanced the capacity of African states to conduct effective peacekeeping and humanitarian relief operations by virtue of successfully completing ACRI's first multinational brigade-level training exercise on the continent. Ghana, Kenya, and Senegal have all successfully deployed on peacekeeping missions. Long-term programs were initiated to professionalize the Nigerian Army and to strengthen the South African Defense Force and other key partners, facilitating their increased capacity for crisis response. Nigeria and South Africa have successfully deployed on peace support missions. ECOWAS, EAC and Southern African Development Community staffs have received increased human and funding resources and have responded with enhanced capabilities in the areas of planning and conflict prevention and resolution. Professional militaries in several African countries contribute to local and regional stability, setting a critical example for others.

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Conflict resolution, peacekeeping, and regional stability efforts in Africa	Organization of African Unity (OAU) participation in Democratic Republic of the Congo (DRC) conflict resolution, peacekeeping and regional stability efforts, as well as working on Eritrea-Ethiopia mediation; Economic Community of West African States (ECOWAS) participation in peacekeeping and conflict resolution efforts in Sierra Leone; Southern African Development Community (SADC) participation in DRC conflict resolution efforts; Inter-Governmental Authority on Development involvement in similar efforts in Somalia and Sudan.	Continued participation by all of these regional and sub-regional organizations in conflict resolution, peacekeeping, and regional stability efforts in these crises and others that may arise.	OAU/African Union's Joint Military Commission continues to support DRC conflict resolution efforts, as well as collaboration with UN efforts in Ethiopia-Eritrea—progress toward peace is being made in both conflicts. Further stabilization of West Africa through training of battalions for United Nations Mission in Sierra Leone (UNAMSIL) service and support for Guinean armed forces and the UK-led effort to professionalize the Sierra Leone Army. ECOWAS strengthens defense and security staff, runs exercises, and plays increased role in conflict prevention/resolution.
Verification	Source: Mission reporting, United Nations, Dept. of Defense Storage: Department of State/AF, IO, PM, USUN, Dept. of Defense		

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Reduction of tension in South Asia	South Asia Task Force holds initial working group meetings on potential confidence building measures (CBMs) for India and Pakistan	Encourage India/Pakistan dialog on CBMs and restraint measures	India and Pakistan held summit meeting at Agra in July, agreed to meet at South Asian Association for Regional Cooperation Summit in January 2002, generally maintained cease-fire across the Line of Control in Kashmir
Verification	Source: Post reporting Storage: Department of State/SA		
Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Implementation of Organization for Security and Cooperation in Europe (OSCE) Summit Initiatives	Agreement on Security Model at 1999 OSCE Summit consistent with U.S. ideas. Heightened awareness of OSCE role in the Balkans and certain states of the New Independent States. Assistance Group (AG) returned to Chechnya, its value recognized as interlocutor on assistance and humanitarian issues. Progress toward making Rapid Expert Assistance and Cooperation (REACT) fully operational	Successful municipal elections in Kosovo and Bosnia with OSCE oversight lead to functioning democratic institutions, more complete plans for Mission downsizing, including eventual Mission closure in the Baltic States. More active, broadened Missions in Central Asia and the Caucasus. REACT fully operational	<ul style="list-style-type: none"> • Successful elections in Kosovo, including increased participation by Serbs. No elections were scheduled for Bosnia in 2001. • Decision to close missions in Estonia and Latvia expected in December 2001. • The Bishkek Conference on Counterterrorism, to be held in December, will focus on efforts to get all states to implement elements of the Financial Action Task Force, training to address the illicit Small Arms and Light Weapons (SA/LW) trade and perhaps new economic initiatives in Tajikistan. • U.S. portion of REACT fully operational by mid-year. • Concluded OSCE Document on SA/LW. First information exchange on SA/LW completed pursuant to this document
Verification	Source: Mission reporting, open sources Storage: Department of State/EUR		

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Organization of American States (OAS) Arms Acquisition Transparency Convention	Convention adopted at OAS General Assembly and opened for signature by states' parties.	Two states' parties ratify the convention.	FY '01 Target was exceeded. Three states, Ecuador, Guatemala, and Uruguay ratified the OAS Arms Acquisition Transparency Convention.
Verification	Source: Mission reporting, open sources Storage: Department of State		
Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Conclude effective multilateral Arms Transfer Code of Conduct	Conduct discussions with major arms producers on the likely nature of the International Arms Sales Code of Conduct Act of 1999 that instructs our President to attempt to negotiate an international regime to promote transparency, and limit, restrict, or prohibit arms transfers.	Develop draft text based on joint U.S.-EU views with broader international participation.	A draft text for a multilateral Arms Transfer Code of Conduct was developed, but because arms sales reflect national foreign policies, we do not foresee significant non-European adherence to the code in the near-to-long term.
Verification	Source: Mission reporting, Storage: Department of State/NP		

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Strengthen arms transparency in the UN Review and update Wassenaar Arrangement control lists.	The Wassenaar Arrangement agrees to a modest increase in arms transfer reporting requirements beyond the categories covered by the UN Conventional Arms Register. UN Register participation increases to more than 90 states; China continues to not participate; Egypt drops counter-resolution at UN.	Add at least one new category to Wassenaar Arrangement mandatory reporting and continue to discuss new categories. UN Register participation remains stable at 90–100 states.	Agreement in Wassenaar to add reporting on two new sub-categories of military vehicles. The United States continues to overcome opposition to establishing a new Small Arms/Light Weapons category, to revise the ship tonnage category, and otherwise enhance arms transparency in Wassenaar. We have also pressed harder for timely and thorough reporting of arms and other transfers subject to national reporting requirements. U.S. goals were advanced through discussions in the three working-level groups (licensing/enforcement, control lists, and policy). The Wassenaar Arrangement Information System should be on-line in early 2002 and will enable us not only to submit more complete reporting, but also to analyze the reported transfers of other participating states
Verification	Source: Wassenaar Arrangement documents, intelligence sources, Mission reporting, Reports on UN Register; post reporting Storage: Department of State/NP/ECNP, intelligence community, Wassenaar Secretariat, interagency working groups, State/AC		
Countries	Worldwide		
Lead Agency	Department of State		
Partners	<p>Department of State: AF, EAP, EUR, NEA, SA, WHA, H, AC, DRL, EB, ECA, IIP, IO, INL, NP, OES, PA, PM, PRM, S/P, PICW, S/WCI, VC, INR</p> <p>Other U.S. Government: Commerce, Drug Enforcement Administration, Department of Defense, Department of Energy, Environmental Protection Agency, Federal Bureau of Investigation, Peace Corps, Treasury, U.S. Agency for International Development, U.S. Trade Representative</p> <p>Multilateral: Association of South East Asian Nations, Economic Community of West African States, European Union, Organization of American States, Organization of African Unity, Organization for Economic Cooperation and Development, Organization for Security and Cooperation in Europe, North Atlantic Treaty Organization, Southern African Development Community, East African Community, United Nations, World Trade Organization</p> <p>Nongovernmental organizations: International financial institutions, media, and corporations</p>		

National Interest	Regional Stability	Performance Goal #	RS-04
Strategic Goal	Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies		
Performance Goal	Resolution of outstanding regional conflicts.		
FY '01 RESULTS AS OF 9/30/01			
<p>Along with providing tools to others to help prevent or resolve conflicts, the Department has been actively engaged in direct efforts to resolve regional conflicts. We met the FY '01 Targets for both indicators for this performance goal, and the Department has made progress in a number of other areas.</p> <p>In FY '01, the peace process in Northern Ireland has experienced the normal fits and starts since the Good Friday Agreement was signed in 1998. However, the overall trend has been positive. As a result of negotiations held during the summer, the republican paramilitary (PIRA) moved closer to historic movement on arms decommissioning (which effected in October), a new police service was established (which was inaugurated on November 4) and Her Majesty's Government moved toward further demilitarization (which began in October following the decommissioning announcement). The Department supported the UN Good Offices Mission in trying to bring both sides on Cyprus to a mutually acceptable settlement of their long-term conflict. State has also consistently sought to promote the resolution of the civil conflict in the Abkhazia Region of Georgia through support for a UN-mediated peace process. This goal was partially achieved. In part through U.S.-led efforts, this year witnessed the most significant advances in moving toward a peace process since the 1994 cease-fire agreement. By working in cooperation with other members of the Friends of Georgia, the U.S. and the UN were able to secure Russian agreement on a framework document for future peace talks. The Abkhaz side has not yet endorsed this framework, but efforts are beginning in earnest to secure their agreement.</p> <p>The Department has also sought to develop multilateral cooperation within the OSCE Minsk Group process in order to further efforts toward conflict resolution between Armenia and Azerbaijan. This goal was achieved. The three Minsk Group co-chairs displayed an unprecedented level of coordination and teamwork that led to the Key West Peace Talks in April 2001. In particular, U.S. efforts helped to convince Russia to take a more active role in mediation efforts. Russia's effort has been exemplary and is cited as a model for other U.S.-Russia cooperation in the post-Soviet era.</p> <p>In FY '01, the Department, at the direction of the National Security Council and in coordination with other concerned U.S. Government offices and agencies, authored a framework plan for implementing the peace agreements negotiated by NATO and Ambassador Pardew in the Former Yugoslavian Republic of Macedonia. Despite some obstacles, peace is on the horizon. Dayton arms control assists our political efforts to create institutions in Bosnia and Herzegovina and offers a mechanism for further reducing heavy weapons in Bosnia and Herzegovina, Croatia, and the Federal Republic of Yugoslavia.</p> <p>Finally, in an effort to sever the link between diamonds and conflicts while still safeguarding the legitimate diamond trade, the United States has been an active participant in the Kimberley Process. Through Kimberley, representatives from key diamond producing, trading, and consuming countries, the diamond industry and interested nongovernment organizations began devising a global rough diamond certification system that would exclude conflict diamonds from the trade. On December 1, 2000, the UN General Assembly adopted a resolution that endorsed the Kimberley Process and urged participants to develop proposals for minimum acceptable standards of certification. State also organized an interagency working group to vet the positions put forth by the U.S. delegation to the Kimberley plenary meetings. We have maintained contact with NGO's to keep them informed of our views and have worked with congressional staff to ensure that proposed legislation dovetails with the system being developed by Kimberley participants. Conflict Diamonds Diplomacy is an important element in the U.S. effort to resolve existing conflicts in Africa and prevent diamond sales from financing weapons purchases for rebel groups in future conflicts. Its success will be measured by the extent to which conflict diamonds remain outside legitimate channels of trade.</p>			

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Dayton Arms Control	Articles II and IV Agreements are being satisfactorily implemented; Article V negotiations proceeding at a deliberate pace.	Improved implementation of Articles II and IV, with successful Review Conference for Article II; Article V agreement reached which protects U.S. equities.	Implementation of Article II continues to improve, marked by increased cooperation between the Bosnian entities. A major effort was started this year to undertake an international audit of the Federation defense budget, an important step in improving transparency of military budgets in Bosnia. The report was presented to the Organization for Security and Cooperation in Europe (OSCE) in November 2001. The Review Conference in February 2001 carefully reviewed implementation and took nine decisions to improve it. We had mixed results in our attempts to improve implementation of the Article IV Agreement. For the first time, the State of Bosnia-Herzegovina was able to report information on the newly established State Border Service. However, Republika Srpska refused to allow the State of Bosnia-Herzegovina to conduct inspections. We will continue to work with the OSCE to improve implementation of both Agreements, since they contribute to security and stability in the Balkans. The Article V negotiations ended in July 2001. The Concluding Document is an exhortative document that urges all participants, but particularly the states in Southeast Europe, to cooperate more in a variety of arms control areas. We succeeded in ensuring that the Concluding Document is essentially a list of suggestions not requirements, thus protecting U.S. interests in the region.
Verification	Source: Department of State/AC Bureau; OSCE and USOSCE reporting Storage: Department of State/AC Bureau files		
Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
The situation along and near the Kashmir Line of Control	Continued military action by both sides along the line of control.	India and Pakistan are honoring a cease-fire along the line of control.	Cease-fire generally held throughout FY '01.
Verification	Reporting of U.S. Missions in Islamabad and New Delhi		
Countries	Worldwide		
Lead Agency	Department of State		

Partners	<ul style="list-style-type: none"> • Department of State: AF, EAP, EUR, NEA, SA, WHA, H, AC, DRL, EB, ECA, IIP, IO, INL, NP, OES, PA, PM, PRM, S/P, PICW, S/WCI, VC • Other U.S. Government: Commerce, Drug Enforcement Administration, Department of Defense, Department of Energy, Environmental Protection Agency, Federal Bureau of Investigation, Peace Corps, Treasury, U.S. Agency for International Development, U.S. Trade Representative • Multilateral: Association of South East Asian Nations, Economic Community of West African States, European Union, Organization of American States, Organization of African Unity, Organization for Economic Cooperation and Development, Organization for Security and Cooperation in Europe, North Atlantic Treaty Organization, Southern African Development Community, United Nations, World Trade Organization • Nongovernmental organizations: International financial institutions, media, and corporations
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REDUCE THE THREAT OF WEAPONS OF MASS DESTRUCTION (WMD)



Since the end of the cold war, our strategic thinking has been transformed as the nature of the threat has profoundly changed. The proliferation and potential use of weapons of mass destruction (WMD) and the missiles that carry them have replaced the Soviet Union as the greatest national security threat facing the United States, our friends, and allies. The terrorist attacks in New York and Washington on September 11, 2001, provide dramatic proof of the changed environment. The United States has developed a comprehensive strategy to counter the WMD and missile threat. This approach includes active nonproliferation, diplomacy, arms control, counterproliferation, effective verification, counterterrorism, deterrence, homeland defense, and missile defenses.

Our achievements in FY '01 had a major impact on keeping WMD and missiles out of the hands of rogue states, terrorists, and those harboring or supporting them. We have made real progress in impeding their access to materials, equipment, technology and expertise that would aid their WMD and missile aspirations. We spearheaded a number of successful interventions that halted transfers to countries of concern, and when necessary, invoked sanctions. Under the Iran Nonproliferation Act of 2000, for example, we imposed penalties on a Chinese entity for transferring to Iran technical assistance controlled in accordance with a multilateral regime, and on a North Korean entity for transferring equipment and technology controlled under the Missile Technology Control Regime (MTCR) Annex to Iran.

The United States decided to revise our deterrence strategy to reflect the end of the cold war and to counter current threats. This will entail reducing U.S. strategic forces to the lowest possible number of nuclear weapons consistent with our national security needs and our obligations to our allies, and to establish a more cooperative relationship with Russia.

In light of these decisions, we held consultations on the new strategic framework and missile defenses with our NATO and Pacific allies, other friends, Russia and China, and made clear that the United States will move beyond the ABM Treaty to test and deploy missile defenses. There was

steady improvement in our dialog with Russia, although Russian agreement to U.S. missile defense efforts was not achieved.

Looking ahead, we expect further development of the new strategic framework with Russia and are helping develop the details of this framework. President Bush has announced that the number of operationally deployed U.S. strategic nuclear warheads will be reduced to between 1,700 and 2,200 over the next 10 years. President Putin has indicated Russia's intention to reduce the number of its strategic warheads by a similarly significant amount, and we are negotiating a legally binding agreement to codify these reductions. On missile defense, the U.S. gave its six-month notice of withdrawal from the ABM Treaty, to take effect in June 2002, but continues to discuss cooperation with Russia on missile defense. Our nonproliferation relationship with Russia is more problematic, however. The Russia-Iran nuclear and missile cooperation remains a major challenge, which we will continue to address. Although Russia and Iran have discussed renewed sales of conventional weapons, Russia has not signed any new contracts.

Since the EP-3 incident, China has become more open to consultations due to progress in U.S.-Russian missile defense (MD) discussions, U.S. briefings regarding our MD policy, and our assurances that MD was not directed at China. This may have resulted in some restraint in China's criticism, though the jury is still out. We engaged with China to promote full implementation of its November 2000 commitments not to assist other countries in any way to develop MTCR-class missiles and enact comprehensive missile-related export controls. We also imposed mandatory missile sanctions on Chinese and Pakistani entities for their involvement in the transfer of MTCR-controlled items from China to Pakistan.

Weapons-grade nuclear material is a priority nonproliferation issue. We signed an agreement to provide support to drain and process the sodium coolant from a fast breeder reactor in Kazakhstan and engineering work is underway. Three hundred metric tons of spent fuel containing three metric tons of weapon-grade plutonium were placed in canisters and secured under IAEA safeguards. We signed an agreement establishing a Science and

Technology Center in Ukraine (STCU) branch office in Tashkent, which will improve coordination between Kiev and former WMD institutes and scientists in Uzbekistan. We completed installation of radiation detection systems at eight sites in Russia.

Our goal of negotiating a Fissile Material Cutoff Treaty (FMCT) at the Geneva Conference on Disarmament (CD) was again thwarted by China, supported by Pakistan and Russia, which continued to block negotiations by linking them to negotiations on nuclear disarmament and outer space. We protected U.S. interests on outer space and nuclear disarmament by maintaining general support in the CD for a work program package that includes negotiation of an FMCT, but only discussion of outer space and nuclear disarmament. Moreover, we were successful in getting consensus on a UN General Assembly resolution calling for FMCT negotiations to begin, the first FMCT resolution since 1998. We will continue efforts to keep the pressure on those states that are blocking agreement to negotiate a Treaty.

Four more states became parties to the Chemical Weapons Convention, for a total of 144. We undertake continual diplomatic efforts to gain additional adherents. We actively pursued our compliance concerns with those 16 nations that we have been unable to certify as compliant to date. The most positive development from the ongoing bilateral discussions has been that Russia offered site visits as a means to resolve our concerns. The Organization for the Prohibition of Chemical Weapons (OPCW) is facing a management crisis and a severe budget crunch. Our efforts ensured that a credible inspection regime was maintained. Russian chemical weapon stockpile destruction finally began during FY '01, but Russia needs significant financial support, and we are working to galvanize the international community to provide such support.

The Bureau of Verification and Compliance began implementing its congressional mandate to provide an independent voice concerning U.S. verification and compliance policy. In this regard, we sought to ensure that verification and transparency issues are a central element of arms control and nonproliferation approaches as they are being formulated and negotiated. State also monitored compliance with all existing arms control, nonproliferation and disarmament agreements and commitments; and coordinated the development of technology in support of verification and compliance.

The administration concluded its policy reviews on North Korea and South Asia, taking a more comprehensive approach to the security of the Korean Peninsula and waiving sanctions on India and Pakistan, in part to enhance the prospects for dialog and progress on nonproliferation. Regarding North Korea, we continued to pursue an acceleration of its compliance with nuclear safeguards, and explored ways to verify a missile ban and enhance transparency related to its missile activities. We expect a decision on the review of U.S. nonproliferation assistance to Russia soon.

Other Significant Accomplishments:

START I reductions were completed as required by December 5, 2001, with assistance from the U.S. Cooperative Threat Reduction Program. All strategic offensive arms in Ukraine were eliminated by October 30, 2001. The INF Treaty inspection regime was completed successfully on May 31, 2001.

A GAO report on the Department of State's oversight of the Science Center Program, dated May 2001, found no significant deficiencies in oversight and management of the Program.

At the 2001 Plenary, the Australia Group (AG) agreed to a number of U.S. proposals aimed at enabling the regime to better combat chemical and biological proliferation and terrorism. AG export control lists were further refined to plug loopholes that proliferators could exploit to acquire CBW production equipment. At the 2001 Missile Technology Control Regime (MTCR) Plenary Meeting in Ottawa, MTCR Partners held a special meeting to foster greater cooperation in stopping and impeding specific shipments of missile proliferation concern. The Partners also continued their work on the draft International Code of Conduct Against Ballistic Missiles Proliferation (ICOC), which is intended to be a widely subscribed and voluntary multilateral mechanism for combating missile proliferation. The Ottawa Talks resulted in an augmented draft ICOC text and agreement to move forward with its universalization.

The United States continues to work to ensure a viable International Monitoring System (IMS) to monitor the international moratorium on nuclear testing. We achieved our goal of expanding the IMS, adding 10 stations during this reporting period, and will continue our efforts.

National Interest	National Security	Performance Goal #	WD-01
Strategic Goal	Reduce the threat of Weapons of Mass Destruction (WMD).		
Outcome Desired	Proliferators do not develop, acquire, produce, or deploy WMD or missile delivery systems.		
Performance Goal	Prevent proliferation of WMD and their means of delivery to other countries or terrorists. Where proliferation has occurred, contain or reverse it.		
Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Access of states of concern to WMD and missile equipment and technology impeded through diplomacy, export control assistance, and interdictions	<p>Russian entities provide nuclear and missile technology assistance to Iran and nuclear fuel to India. China announces it will not assist other countries, in any way, to develop ballistic missiles that can be used to deliver nuclear weapons. China announces it will improve its export control system. North Korea negotiates on ending its missile exports.</p> <p>Of 12 New Independent States (NIS), 5 have export controls in place, but only Ukraine enforces them adequately</p>	<p>Successful: Russia talks to the United States about stopping assistance to Iran and India. Progress on China's full adherence to its 1997 nuclear nonproliferation commitments. China fully abides by its November 2000 missile technology export commitment and begins improving its export control system. North Korea does not export nuclear material or technology, and re-engages on constraining missile exports. Significant progress by additional countries, especially in the New Independent States, toward internationally recognized export control standards; significant progress by additional countries in meeting standards for effective enforcement; additional blocked transfers or interdictions.</p> <p>Minimally Effective: Strong international pressure on Russia to stop assisting Iran and India, but Russia continues. China generally abides by its missile technology export policy. North Korea does not export nuclear material or technology. Countries with rudimentary or nonexistent export control standards demonstrate improvement in standards and enforcement.</p>	<p>Successful</p> <p>Goal was achieved: Both internal factors (policy review) and external factors (EP-3 incident in the South China Sea) increased complexity of challenge.</p> <p>U.S. objected to Russian assistance to Iran's and India's WMD and ballistic missile programs. Partial success in halting elements of Russian assistance to Iran, and efforts to achieve cooperation are ongoing.</p> <p>U.S. engaged with China on failure to implement November 2000 commitments and implemented sanctions to that effect. China seriously implementing its 1997 nuclear commitments. North Korea not a supplier of nuclear-related technology but continues to seek buyers for missile exports.</p> <p>After the creation of a new office last year, there was a marked increase in both meeting export control standards and in reported successes in interdicting WMD and related components.</p> <ul style="list-style-type: none"> • United States. and Ukraine signed an Export Control Agreement resolving taxation and customs issues that had impeded our assistance efforts. • Uzbekistan customs officials intercepted radioactive materials at their border with the aid of U.S. equipment.

Performance Indicator (cont'd)	FY '01 Actual (cont'd)
<p>Access of states of concern to WMD and missile equipment and technology impeded through diplomacy, export control assistance, and interdictions</p>	<ul style="list-style-type: none"> • Slovakia stopped arms cargo destined for Angola. • Slovenian customs seized four containers of military weapons en route to Yugoslavia. • Interagency visit addressed training and equipment needs to enable Turkey to commence prevention/interdiction of WMD and related components. • Cyprus has strengthened its transshipment enforcement program resulting in several detentions of suspect transshipment cargo. • However, Armenia and Azerbaijan have been unable to get needed laws enacted by their Parliaments. • Malta has failed to implement customs control of its free port, despite EU admission requirements. <p>The indicator, an outcome measure, remains valid, but some performance targets were too ambitious. The Department coordinates closely with National Security Council, Commerce, Customs, Department of Defense, and the Intelligence Community</p>
<p>Verification</p>	<p>Source: record of international meetings, intelligence reports, assessment of progress against U.S. Government-developed standards of effective controls, reports on the outcome of export control assistance projects/demarches</p> <p>Storage: Department of State/NP</p>

Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
<p>Conformity to international nonproliferation norms of behavior.</p>	<p><u>South Asia:</u> Continued unilateral nuclear testing moratoriums, restraints in nuclear and missile programs, and stronger export controls. Experts cooperate with India to improve export control regulations and mechanisms.</p> <p><u>Middle East:</u> UNSCR 1284 establishes UNMOVIC to verify Iraqi compliance with its UN WMD and missile requirements.</p> <p><u>East Asia:</u> DPRK resumes missile talks with U.S. DPRK moratorium on missile flight-testing and freeze at Agreed Framework nuclear facilities continues. Spent fuel canned under IAEA safeguards. Unconstrained DPRK missile exports and noncompliance with the NPT.</p>	<p>Successful:</p> <p><u>South Asia:</u> Continued nuclear testing moratoria, better export controls, restraints in missile testing, and weapons deployment.</p> <p><u>Middle East:</u> Complete the development and implementation of reformed Iraq Oil-for-Food (OFF) program and targeted controls. Strong international support for refined controls, especially P-3. Iraq and Iran are generally denied access to technologies needed for their nuclear weapons programs. Experts engage with countries in the region on ways to strengthen export controls.</p> <p><u>East Asia:</u> U.S. Government review and development of North Korea policy. U.S. Government re-engages with North Korea with concurrence of ROK and Japan. DPRK complies with Agreed Framework and missile flight-test moratorium.</p> <p>Minimally Effective:</p> <p><u>South Asia:</u> Expert cooperation on export controls. Dialog on the importance of nuclear and missile restraint.</p> <p><u>Middle East:</u> Reformed OFF program and targeted controls not fully implemented. Tehran continues WMD development using own technologies and help received.</p> <p><u>East Asia:</u> Freeze at DPRK nuclear facilities continues.</p>	<p>Goal was partially achieved: We were successful in South and East Asia, but only partially successful in the Middle East.</p> <p><u>South Asia:</u> Nuclear test moratoria continue. India partially cooperating to address U.S. onward proliferation concerns. Pakistan further tightened its export controls, but proliferation risks continue. Ballistic missile and nuclear programs continue unrestrained. Nuclear sanctions waived by United States against both countries, with aim of broad nonproliferation discussions (early 2002 with both countries).</p> <p><u>Middle East:</u> UN inspection organizations for Iraq remain ready to resume inspections, but Iraq has continued to reject UNSC Resolution 1284. UNSC commits to pass Goods Review List (GRL) in May 2002.</p> <p>Delay caused by Russia, despite strong P-3 support. Iran received first major components of Bushehr reactor from Russia; all other nuclear suppliers continued to refrain from cooperation with Iran. U.S. secured the political commitment of the UAE, a key transit/transshipment state, to take concrete steps to adhere to nonproliferation regimes, and to cooperate in establishing a modern export control/border security (EXBS) system.</p> <p><u>East Asia:</u> North Korea continued to comply with Agreed Framework and missile flight-test moratorium. State helped shape policy review on North Korea, completed in June, and informed North Korea. United States seeks serious discussions on range of issues: improved implementation of Agreed Framework relating to North Korea's nuclear activities; verifiable constraints on North Korea's missile program and a ban on missile exports; and a less threatening conventional military posture. North Korea has yet to agree to U.S. proposal for comprehensive talks. Engaged Governments of Malaysia, Singapore, and others as interagency EXBS teams performed initial needs assessments. South Korea turned down a nuclear export to Pakistan. Hong Kong continued to maintain its exemplary export control regime.</p> <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department consults closely with NSC, Commerce, Customs, Department of Defense, Department of Energy, and the Intelligence Community.</p>
<p>Verification</p>	<p>Source: intelligence reports; media accounts Storage: Department of State/NP, IO</p>		

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Progress toward implementing fissile material projects - Plutonium disposition; Mayak Fissile Material Storage Facility; Physical security	U.S.-Russian bilateral agreement on plutonium disposition completed. G-8 Okinawa Summit called for development of financial and multilateral framework by July 2001. Joint U.S.-Russia construction of fissile material facility at Mayak underway to provide long-term storage for dismantled nuclear weapons. Negotiations underway on transparency and additional assistance for upstream processing of plutonium. Resolution of issues associated with delivery of the improved physical security upgrades for key nuclear weapons storage sites	Successful: Agreed plan to finance and structure cooperation for plutonium disposition in Russia with robust funding commitments from other states. Russian warhead dismantlement continues. Transparency negotiations progress. Physical security upgrades resume. Minimally Effective: G-8 commitment to ongoing engagement by Genoa Summit. Russian warhead dismantlement continues and talks continue.	Goal was partially achieved: <ul style="list-style-type: none"> Plutonium disposition suspended due to administration review of nonproliferation assistance to Russia and more cost-effective options. Mayak FMSF was nearly completed, with talks on transparency — a major obstacle — still in progress. Plutonium Production Reactor Agreement (PPRA): Implementation of reactor shutdown also suspended due to administration review. Transparency arrangements resolved and monitoring mission scheduled. Physical Security upgrades progressing. The indicator, an activity measure, remains valid. Performance targets are appropriate. The Department consults closely with National Security Council, Department of Defense, Department of Energy, and the Intelligence Community.
Verification	Source: Intelligence reports, State Department cables Storage: Department of State/NP		

Performance Indicators	FY '00 Baseline	FY '01 Target	FY '01 Actual
Number of Russian/New Independent States weapons scientists redirected in civilian activities and progress in developing self-sustaining civilian alternative employment	Engaged more than 30,000 scientists in peaceful civilian efforts; moving to support sustainable transition from weapons to civilian work.	<p>Successful: New programs in commercialization, training, industry partnering as well as expansion into former missile and chemical weapons institutes.</p> <p>Minimally Effective: Continued progress on new programming to redirect biological weapons scientists.</p>	<p>Goal was partially achieved: Implementation progress made, while transition to self-sustainability needs further development. Under Science Centers, up to 40,000 scientists and several new high-interest institutes now engaged. Redirection activities and budgets expanded, Increases achieved in the number of private industry partners, industry financing of science center projects. Centers are engaged in studying program effectiveness.</p> <p>The indicator, an activity measure, remains valid. Performance targets are appropriate. The Department consults closely with NSC, Department of Defense, Department of Energy, Commerce, U.S. Department of Agriculture, Health and Human Services, and the Intelligence Community.</p>
Verification	<p>Source: Internet, diplomatic and programmatic direct contacts, press, intelligence reports, official statements, and Department of State cables</p> <p>Storage: Department of State/NP</p>		

Countries	Worldwide
Complementary U.S. Government Activities (Non-Department of State)	Department of Energy Nuclear Cities Initiative; Department of Defense's Cooperative Threat Reduction; IC monitoring programs
Lead Agency	Department of State/NP
Partners	Regional bureaus, INR, PM, VC, IO, intelligence community, Federal Bureau of Investigation, U.S. Customs, Department of Defense, Department of Commerce, Department of Energy, NSC, Health and Human Services, Department of Agriculture, Office of Management and Budget, Australia Group, MTCR, Nuclear Suppliers' Group, UNSC, IAEA, Korea Peninsula Energy Development Organization (KEDO), Congress, North Atlantic Treaty Organization (NATO) Allies, European Union members, G-8 members, ISTC, STCU, CTBTO, private sector, nongovernmental organizations, and academia

National Interest		National Security		Performance Goal #	WD-02
Strategic Goal					
Reduce the threat of Weapons of Mass Destruction (WMD).					
Outcome Desired					
The strategic threat of weapons of mass destruction to the United States is minimized.					
Performance Goal					
<ul style="list-style-type: none">Further reductions in strategic offensive arms, nuclear weapons stockpiles, and infrastructures in ways that reinforce stability.Reduce U.S. uncertainty about such weapons in other countries.Develop and implement effective diplomatic strategies to permit U.S. development, testing, and deployment of missile defenses; to achieve support of friends, allies, and other concerned countries and international organizations; and to establish a more sound relationship with Russia.					
Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual	
Strategic Arms Reductions	Reductions under START I continue; START II not ratified.	Russian START I reductions from over 10,000 deployed warheads at signature down to 6,000-ahead of schedule; START II and associated agreements ratified by Russia but not yet entered into force.	Successful: reduction of strategic weapons under START I on pace to finish before Treaty deadline in CY '01; U.S. Government decisions made on deterrence strategy, force reductions and role of arms control. Minimally Effective: START I reductions continue, but at slower pace.	<p>Goal was achieved:</p> <ul style="list-style-type: none">The START I reductions were completed as required on December 5, 2001, with assistance from the U.S. CTR program. All strategic offensive arms in Ukraine were eliminated by October 30. Also, the INF Treaty inspection regime was completed successfully on May 31, 2001.The number of former Soviet strategic warheads accountable under START I reduce during FY '01 from 6,860 to 5,988. In addition, the United States Government decided to revise our deterrence strategy to better reflect the end of the cold war and counter current threats, to reduce U.S. strategic forces to the lowest possible number of nuclear weapons consistent with our national security needs and our obligations to our allies, and to establish a more cooperative relationship with Russia. Discussions with Russia on this new strategic framework made significant progress during FY '01.In the future, we expect further development of the new strategic framework with Russia, as well as further reductions in strategic arms. <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department of State consults closely with National Security Council, Department of Defense, Department of Energy, and the Intelligence Community.</p>	
Verification	Source: negotiating records, data exchanges, intelligence, Mission reporting Storage: Department of State/AC, JCIC				

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Missile Defense	ABM Treaty in effect.	United States decides not to deploy a limited National missile defense at this time.	<p>Successful: U.S. Government makes decisions on deterrence strategy and missile defense; consultations with allies and others on development of missile defense, leading to a consensus.</p> <p>Minimally Effective: same as "successful," but without, "...leading to full consensus"</p>	<p>Goal was partially achieved:</p> <ul style="list-style-type: none"> While Russian agreement to U.S. missile defense efforts has not been achieved, during FY '01 there was a steady improvement in the dialog between Russia and the United States. Russian rhetoric lost its negative focus on dire consequences of ABMT withdrawal. Presidents Bush and Putin agreed to continue consultations on establishing a new strategic relationship based on mutual interests and cooperation, rather than mutual vulnerability. The U.S.-Russian relationship is much broader than the ABM Treaty and our mutual efforts to build a new relationship will continue independent of the future of the Treaty. The United States initiated a series of consultations on missile defenses and the new strategic framework with our NATO allies, Asian allies, friends, and China. <p>The indicator, an activity measure, remains valid. Performance targets are appropriate. The Department of State consults closely with National Security Council, Department of Defense, and the Intelligence Community.</p>
Verification	<p>Source: Internal U.S. Government documents, Mission reporting</p> <p>Storage: Department of State/AC</p>			
Countries	Russia, Ukraine, Belarus, Kazakhstan, North Atlantic Treaty Organization (NATO), Asian allies, friends, and China			
Lead Agency	Department of State/AC			

National Interest	National Security	Performance Goal #	WD-03
Strategic Goal			
Reduce the threat of Weapons of Mass Destruction (WMD).			
Outcome Desired			
Negotiation and implementation of multilateral agreements that formalize nonproliferation and arms control commitments and make existing regimes more effective.			
Performance Goal			
Strengthen existing, and negotiate new, multilateral nonproliferation and arms control regimes to reduce the WMD threat.			
Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Activity: Strengthen NPT and IAEA	2000 NPT Review Conference consensus reflects widespread support for Treaty. IAEA is working on strengthening safeguards; accepted by 54 states, 9 of which implement them, strengthened safeguards.	Successful: Strong international consensus to preserve and strengthen the NPT; no withdrawals threatened; United States provides more financial support to improve IAEA safeguards and fund key new responsibilities; more states sign or ratify the safeguards protocol. Minimally effective: NPT generally supported; no new noncompliance discovered; IAEA performs its highest priority tasks well; few additional states sign or ratify the safeguards protocol.	Goal was achieved: <ul style="list-style-type: none">NPT remains strong with widespread support, and review process for 2005 NPT Review Conference began smoothly. No state threatened to withdraw. North Korea remained a party and took limited steps to improve cooperation with IAEA. U.S. provided strong support for IAEA safeguards and essential new IAEA programs (e.g., information and imagery analysis) and integrated safeguards. Key equipment needs, e.g., in surveillance areas, were met. Over \$50 million in funds for safeguards equipment make important contributions to IAEA safeguards effectiveness. Seven additional states signed protocols and 13 additional protocols were brought into force.IAEA responded quickly to September 11 terrorist attacks to review relevant IAEA activities with a view to strengthening them and provided initial views to Board of Governors. The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department of State consults closely with the National Security Council, Department of Defense, Department of Energy, Nuclear Regulatory Commission, and the Intelligence Community.
Verification	Source: UN resolutions, NPT PrepCom Report, reports from IAEA Board or IAEA Secretariat, budget figures Storage: Department of State/NP, IAEA Validation: data is complete, accurate, and timely		

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Strengthen CWC	At the beginning of Fiscal Year 2000, 133 states parties to CWC; United States begins implementing industry obligations	<p>Successful: At least 5 new states' parties, including at least one state of proliferation concern; United States fully implements industry and other obligations.</p> <p>Minimally Effective: 1–4 new states' parties; United States near full implementation of industry and other obligations.</p>	<p>Goal was partially achieved:</p> <ul style="list-style-type: none"> Yemen, Zambia, the UAE, and the Dominican Republic became states parties during the reporting period. There are now 144 parties. We will persist in this effort. The United States is fully implementing its industry obligations. All declarations have been made. In the reporting period, the first full year of inspections, 16 inspections of U.S. industry facilities were conducted. We worked closely with the Commerce Department in ensuring smooth implementation of these inspections. Some problems occurred, but we either resolved them or continue to make progress on resolution, and will improve implementation with experience. We invested much time and effort in attempting to improve financial and administrative management of the OPCW, where budget problems are preventing the Organization from executing its full responsibilities. Because of our efforts, the OPCW maintained sufficient level of activity to ensure credible implementation of the CWC. We continue our engagement with the Russians on their declarations and destruction plans. Although some destruction was done in FY '01, Russia will not meet the deadlines for chemical weapons destruction and has requested extensions. We will continue to press them to make this a higher priority, but they also need significant international assistance, which we will continue to press for. <p>The indicator, an activity measure, remains valid. Performance targets may need to be changed to reflect maturity in CWC membership numbers. The Department consults closely with National Security Council, Department of Defense, Department of Commerce, Department of Energy, Nuclear Regulatory Commission, and the Intelligence Community.</p>
Verification	<p>Source: negotiating reports, implementation reports, ratifications</p> <p>Storage: Department of State/AC, OPCW</p> <p>Validation: data is complete, accurate, and timely.</p>		

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
International Monitoring System for nuclear testing; FMCT negotiations	Partial international nuclear-test monitoring system in place. No agreement in Conference on Disarmament for negotiations on FMCT	<p>Successful: Expansion of international nuclear test monitoring system. A committee is established with an acceptable negotiating mandate on FMCT.</p> <p>Minimally Effective: Protection of U.S. interests on outer space and nuclear disarmament without agreement on negotiations on FMCT.</p>	<p>Goal was partially achieved, with full success in the International Monitoring System (IMS) sub goal.</p> <ul style="list-style-type: none"> We met the goal of IMS expansion, as 10 additional stations were certified in FY '01. With regard to FMCT, we protected U.S. interests, although we were not able to establish at the Conference on Disarmament a committee with an acceptable mandate. China, supported by Pakistan and Russia, continued to block FMCT negotiations by linking them to negotiations on nuclear disarmament and outer space, pointing to U.S. actions on missile defense as highlighting the need for negotiations on outer space. However, there continues to be general support, apart from China, Pakistan, and Russia, for a work program package that includes negotiation of FMCT but only discussion of outer space arms control and nuclear disarmament. We will continue to work to establish a committee to negotiate FMCT, since it would help achieve our nonproliferation objectives. <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate.</p> <p>The Department consults closely with NSC, National Security Council, Department of Defense, Department of Commerce, Department of Energy, Nuclear Regulatory Commission, and the Intelligence Community.</p>
Verification	<p>Source: negotiating reports, implementation reports</p> <p>Storage: Department of State/AC, CTBTO, CD</p> <p>Validation: data is complete, accurate, and timely</p>		
Countries	Worldwide, with focus on Russia, China, India, and Pakistan		
Complementary U.S. Government Activities (Non-	Department of Energy assists in supporting our work on new and recent multilateral treaty implementation. The Departments of Defense and Commerce are heavily engaged in ensuring U.S. implementation of the CWC. NRC, Department of Energy,		

Department of State)	Department of Defense cooperate in improving IAEA safeguards and implementing safeguards in the United States.
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National Interest	National Security	Performance Goal #	WD-04
Strategic Goal			
Reduce the threat of Weapons of Mass Destruction (WMD).			
Outcome Desired			
Effective verification of compliance with arms control and nonproliferation treaties, agreements, and commitments.			
Performance Goal			
Develop effective verification regimes and verify compliance with arms control and nonproliferation treaties, agreements, and commitments.			
Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Effective verification measures for new treaties	No mandate for FMCT, major BWC issues unresolved, START III and ABM/NMD provisions under development.	Final phase of BWC negotiations begin; negotiations begin for enhanced verification measures for START III and ABM.	<p>Goal was partially achieved.</p> <p>FMCT: The 2001 Conference on Disarmament was unable to reach agreement on an agenda. Stay the course (see discussion under WMD Goal 3).</p> <p>BWC: Goal changed.</p> <ul style="list-style-type: none"> • Strategy being changed. • Package of alternatives to BWC Protocol under development. <p>START III and ABM/NMD: Goal Changed.</p> <ul style="list-style-type: none"> • Strategy being changed. Reasons for the change include internal and external factors — a new administration, emerging threats, and a new strategic framework developing between the United States and Russia. • The administration's position on reducing strategic offensive arms does not include START III or necessarily any new treaty; on defenses the administration has stated it will need to move beyond the ABM Treaty. • Instead of the target activity, discussions took place between the United States and Russia on strategic arms reduction and missile defense in the context of a developing new strategic framework based on trust, openness, and cooperation, rather than the adversarial relationship of the cold war. • In FY '02, stakeholders can expect progress on reducing the threat of WMD and an updated strategy, performance indicator, and target to reflect a new strategic framework. <p>The indicator, an outcome measure, remains valid. But targets for BWC, ABM/NMD, and START III require adjustments due to policy changes.</p> <p>The Department of State consults closely with National Security Council, Department of Defense, Department of Energy, and the Intelligence Community.</p>

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Compliance with existing treaties	Some compliance reports submitted late; substantial progress of CWC compliance issues; solutions to START issues sought at JCIC; plans under discussion for CTBT TAG; CTBT verification regime policy under development within VMTF.	CY '00 reports submitted on time; CWC compliance issues identified and resolved; progress on unresolved START/INF issues, with several concluded; TAG CONOPS developed, resources identified; timely development of CTBT verification regime	<p>Goal was achieved.</p> <p>Compliance Report:</p> <ul style="list-style-type: none"> • CY '00 Annual Compliance Report was submitted to the NSC on time. • Report records the outcome of treaty compliance issues as of that calendar year. <p>CWC Compliance:</p> <ul style="list-style-type: none"> • We actively pursued our compliance concerns with those 16 nations that we have been unable to certify as compliant to date. • Two site visits were conducted this year, one to Bulgaria and one to Kazakhstan. Follow-up questions have already been prepared on these visits. • In addition to this, demarches were sent to Romania, Ukraine, Iran, and the Federal Republic of Yugoslavia. • It appears likely that Croatia will soon be certified as compliant. • One round of bilateral discussions was held with Russia in February. We recently received answers to follow-up questions that were sent in September. The most positive development from the ongoing bilateral discussions has been that Russia recently offered site visits as a means to resolve our concerns. <p>Responses are being prepared in the ongoing dialog with India and China.</p> <p>START Issues:</p> <ul style="list-style-type: none"> • Several previously unresolved START issues were successfully resolved among the Parties and concluded during FY '01. Progress continues to be made on several other issues. Achievements reflect U.S. strategy successfully implemented during JCIC sessions and intersessions. <p>It appeared likely at the close of FY '01 that the Treaty Parties would successfully meet the final phase reduction obligations by December 5, 2001, as mandated by the Treaty — a significant milestone</p>

Performance Indicator (cont'd)	FY '01 Actual
Compliance with existing treaties	
<p>INF Issues:</p> <ul style="list-style-type: none"> During the sessions and intersession, the Parties resolved issues pertaining to the Treaty-mandated expiration of the inspection regime. The inspection regime came to a successful conclusion on May 31, 2001. The Treaty remains in effect for unlimited duration. <p>CTBT TAG:</p> <ul style="list-style-type: none"> The original concept of the Technical Analysis Group (TAG) as part of the U.S. National Authority for the Comprehensive Nuclear Test-Ban Treaty evolved to encompass all relevant nuclear testing treaties and agreements. The TAG has been replaced by the Nuclear Verification Information System. In 2001, the Department of State committed \$350,000 to a contract with the Lawrence Livermore National Laboratory to develop both requirements for nuclear test verification and software to access the relevant information from other government agencies and nongovernmental organizations. A System Vision document, evolved from the TAG Concept of Operations, has been drafted and submitted to the Office of Nuclear Affairs. The Office is now in the process of vetting its requirements with the Departments of Defense, Energy and the intelligence community through a Coordinating Committee sponsored by the National Nuclear Security Administration. <p>CTBT Verification Regime/VMTF:</p> <ul style="list-style-type: none"> The interagency Nuclear Testing Verification and Monitoring Task Force (VMTF) developed U.S. verification policies and technical perspectives as needed that were deployed during meetings of the multinational CTBT Organization's Preparatory Commission and its subsidiary bodies. In FY '01, the decisions of the Preparatory Commission and the sequential establishment of the CTBT verification regime were consistent with U.S. verification policies and technical perspectives and were supported by the United States. However, after a review of U.S. concerns regarding nuclear testing, the United States announced at the August meeting of the Preparatory Commission that would no longer participate in establishing the entire CTBT verification regime. Henceforth, the United States will continue to participate in and fund only those activities directed at establishing and supporting the International Monitoring System (IMS), and, only to the extent required for the support of the IMS, the International Data Center and the Global Communications Infrastructure. It is expected that approximately 23 stations of the IMS will be certified by the end of CY '01. As of October 31, data from 30 IMS stations were included in the International Data Center operations. <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department consults closely with National Security Council, Department of Defense, Department of Energy, and the Intelligence Community.</p>	

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Compliance with existing treaties (cont'd)	Availability of needed verification and monitoring technology	Level of collection resources maintained; V Fund established; NPAC TWG participation full, report issued in October 2000.	Collection resources preserved; V Fund endowed; TWG report issued April 2001; V Fund supports TWG-recommended projects.	<p>Goal was achieved.</p> <p>CRITICAL COLLECTION SENSORS:</p> <ul style="list-style-type: none"> During FY '01 critical collection sensors were funded and provided information for treaty verification. Pushed to fund future collection systems to ensure that there will be no gaps in coverage. <p>V FUND:</p> <ul style="list-style-type: none"> Pushed for a budget allocation, including reprogramming efforts, to support the Verification Assets Fund (V Fund), but internal Department priority was given to other programs. Stay the course; try again in FY '02. <p>NPAC TWG:</p> <ul style="list-style-type: none"> The Nonproliferation and Arms Control Technology Working Group (NPAC TWG) continued to foster the development of key research and development activities that may contribute to verifying arms control and nonproliferation agreements. The NPAC TWG Report will be issued in the spring of 2002. <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department of State consults closely with National Security Council, Department of Defense, Department of Energy, and the Intelligence Community.</p>
Timely treaty-mandated communications	No data available	Signing of new NRRC agreements with Kazakhstan and Ukraine: conforming Eng/RU/Ukrainian texts; initiate study of architecture for GGCL replacement system; develop architecture for link to DOC re: CWC.	Sign agreements with Kazakhstan and Ukraine; complete GGCL system design; new CWC network link to DOC operational.	<p>Goal was partially achieved.</p> <ul style="list-style-type: none"> NRRC agreement with Ukraine signed. Working toward signing agreement with DOC link to CWC Network on hold. DOC reassessing its need for a link to the CWC Network. <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department consults closely with and the Intelligence Community.</p>
Countries		Worldwide		
Complementary U.S. Government Activities		OSD; OSD Compliance Review Group; DTRA; CIA; WINPAC; DOE; JCS		
Lead Agency		Department of State/VC		
Partners		T, AC, NP, PM, INR, EUR, IRM, L, INR, OSD, Joint Staff, National Security Council, Department of Energy, Department of Commerce		

National Interest	National Security		Performance Goal #	WD-05
Strategic Goal				
Reduce the threat of Weapons of Mass Destruction (WMD).				
Outcome Desired				
Strengthen international nuclear safety and nuclear energy cooperation regimes; pursue international nuclear cooperation policies that reduce risks of proliferation and protect the global environment from nuclear accidents and improperly managed nuclear waste from Soviet-era facilities.				
Performance Goal				
Ensure nuclear cooperation serves safety, environmental, and nonproliferation goals.				
Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual	
Reactor closures and nuclear waste improvements	Reactor closures agreed for several reactors in New Independent States and Eastern Europe (including Chernobyl December 15, 2000); negotiations on nuclear waste framework agreement are proceeding.	Successful: Chernobyl closure implemented. Donors provide funding for the sarcophagus and support for energy reform. Ignalina I prepares for closure. Russia continues to work with the G-7 on specific safety initiatives in Russia and the other New Independent States. Bulgaria prepares for closure of units 1 and 2 of its Kozloduy Plant. Minimally Effective: Lithuania honors its EBRD agreement.	Goal was achieved. Chernobyl was shutdown on December 15, 2000. Donors providing funding for the sarcophagus and support for energy reform through European Bank for Reconstruction and Development (EBRD). Working with the EBRD and the G-7, we secured a Ukrainian decision on a design concept for the Chernobyl shelter. Ignalina is preparing for closure in 2005 and Bulgaria signed an International Decommissioning Fund Agreement with the EBRD requiring early closure of Kozloduy 1 and 2. The United States negotiated a policy change in the G-7 that supports our efforts to help avoid a nuclear accident in Russia while pressing for closure of unsafe reactors. The G-7 agreed to continue to provide expert safety advice to Russia as its high-risk reactors enter life extension and is considering conditions under which Russia may become a member of the G-7 Nuclear Safety Working Group. We have made substantial progress in negotiating a Multilateral Nuclear Environmental Program in Russia (MNEPR) agreement with Russia and EU. The indicator, an outcome measure, remains valid. Performance targets are appropriate	

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Extension of benefits of nuclear cooperation to U.S. partners and effective implementation of provisions of existing cooperation agreements	<p>The United States has nuclear cooperation agreements with the IAEA, the EU, 24 other countries, and Taiwan.</p> <p>New nuclear technology transfers to China are stalled in a dispute over retransfer consent. United States conducts regular consultations on physical protection of U.S.-supplied nuclear material. United States has reached necessary agreements on security arrangements for mixed oxide fuel transfers from Europe to Japan. Generation IV International Forum (GIF) on innovative reactor designs off to good start</p>	<p>Successful: China agrees to U.S. proposals for retransfer consents; peaceful nuclear cooperation proceeds smoothly. GIF proceeds as a viable forum for reactor cooperation. No security problems arise with U.S.-origin nuclear material or they are resolved quickly. Other cooperation programs proceed normally.</p> <p>Minimally effective: Partners question U.S. commitment to nuclear cooperation but no existing agreements abrogated. Dispute with China remains unresolved, but does not affect other cooperation.</p>	<p>Goal was partially achieved: U.S.-China discussions on retransfer consents made substantial progress in allaying PRC concern that its domestic technology could be captured by U.S. controls; level of detail in talks extended horizon for completion, with fully successful outcome still foreseen for FY '02. GIF successfully drafted and approved its charter and embarked on its program as an international forum for discussion of innovative reactor designs. No significant issues arose regarding the security of U.S.-origin nuclear materials. United States continued as a reliable and predictable partner in peaceful nuclear cooperation with other countries, with cooperative programs proceeding smoothly.</p> <p>The indicator, an outcome measure, remains valid. Performance targets are appropriate. The Department consults closely with National Security Council, Department of Defense, Department of Energy, Nuclear Regulatory Commission, and the Intelligence Community.</p>
Verification	<p>Source: U.S. Mission reporting</p> <p>Storage: Department of State/NP</p>		
Countries	Worldwide		
Complementary U.S. Government Activities (Non-Department of State)	Department of Energy International Nuclear Safety Program and Nuclear Regulatory Commission international programs (funded by the Department of State and the Agency for International Development)		
Lead Agency	Department of State/NP		
Partners	Regional bureaus (EUR, EAP, SA, WHA), IO, VC, INR, OVP, NSC, Department of Energy, Agency for International Development, U.S. Treasury Department, and the Environmental Protection Agency		

OPEN MARKETS



America prospers when other countries prosper. In promoting markets, global economic growth, and growth in developing and transitional economies, we are promoting American prosperity. Since the end of the cold war, economic issues have become increasingly important in international affairs. Political growth is linked to long-term economic growth and prosperity. America's economy is ever more linked to the rest of the world; the United States, for example, is the biggest exporter of farm products, manufactured goods, and services. Globalization offers vast new opportunities for U.S. businesses, farmers, and consumers. However, it benefits others as well. To developing countries, for example, globalization offers the possibility of increasing their participation in the world economy and being able to have more access to information and to take advantage of innovations, of the more open trading system, and of the flow of investment capital. Advances in biotechnology can feed the hungry and save millions of lives. The information revolution not only can promote faster economic growth, the increased access to information can help encourage individual freedom around the world.

Strengthen the international framework for open markets for goods, services, and investment and ensure openness of international markets for new technologies, including e-commerce and biotechnology

Throughout the fiscal year the Department worked closely with other U.S. agencies, for example the office of the U.S. Trade Representative (USTR), to convince foreign governments to take steps to open their markets to international flows of goods and capital. The commitment of 34 Western Hemisphere governments made at the Quebec Summit of the Americas in April to negotiate to establish a free trade agreement in the Americas by 2005 is one example of the progress made. Work undertaken through the year in preparations for the Asia-Pacific Economic Cooperation (APEC) organization's leaders October meeting in Shanghai also led to a reaffirmation of the value of open markets, albeit after the end of the fiscal year. The completion of seven additional Open Skies agreements improved access to international civil aviation markets and boosted competition. Working in numerous forums, the Department continued to argue against

unfair rules banning trade in agricultural biotech products. For example, the United States checked efforts to require unfair labeling of such biotech products.

At the same time, through a series of bilateral and multilateral policy dialogs, the United States worked to strengthen and open further the international system to financial flows. The United States launched an investment dialog with Japan and reinvigorated talks with Russia on investment policy. Multilaterally, we worked in the OECD as it expanded its investment outreach with China, Russia, and other nonmembers.

Integrate transition and developing economies more fully into the world economic system

The Department worked closely with the USTR and the Departments of Agriculture and Commerce to win international support to launch a new set of talks in the World Trade Organization (WTO). The work entailed substantial public diplomacy efforts to explain U.S. positions to international audiences as well as more traditional bilateral and multilateral contacts with the full range of foreign governments. The WTO's reliance on consensus for reaching decisions meant it was essential that developing as well as developed countries agree. Due to the timing of the WTO Ministerial in Doha, November 9 – 14, the final successful launch of market-opening talks took place after the end of the fiscal year.

Use public diplomacy to garner foreign support for opening markets and understanding the role open markets can play in sustainable economic growth

The Department undertook an energetic and multipronged public diplomacy approach in support of U.S. market-opening policies during the year, using a number of international meetings and other events as opportunities to get out the message that countries need to lower barriers to trade and other international activities, adopt market-oriented economic policies, and participate fully in the global economic system if they are to prosper and develop.

National Interest	Economic Prosperity	Performance Goal #	OM-01
Strategic Goal			
Open world markets to increase trade and free the flow of goods, services, and capital.			
Outcome Desired			
America needs open markets around the world so that its goods and services can compete on a level playing field. Likewise, as both the largest exporter and the biggest recipient of capital investment, the United States depends on sound international rules on foreign investment. Acceptance of free market principles abroad is essential to other countries' sustainable economic growth and development and their prosperity contributes to international peace and stability.			
FY '01 RESULTS AS OF 9/30/01			
This goal is key because we are a major beneficiary of an open and strong multilateral economic system. Over the past 25 years, our imports and exports have grown over 50% as a share of Gross Domestic Product (GDP). Such a system also brings increased prosperity to other nations, strengthening international peace and stability.			
Our multilateral and bilateral strategy based on consensus-building produced results from the WTO to successful Open Skies and bilateral investment treaties.			
We will continue to build on this productive strategy in FY '02.			
Eight indicators are outcome oriented; the remainder are activity or output measures where multilateral or bilateral processes—OECD outreach, for example—are vital to achieving outcomes such as adherence to international agreements. Our indicators focus on key areas such as the WTO and investment where success is required to advance to our goals.			
Continued close cooperation with U.S. Trade Representative, the Department of Commerce, U.S. Department of Agriculture, and other U.S. agencies will be required to achieve further results in strengthening the international open market system next year. Public diplomacy will be needed to ensure broad understanding of the issues.			
Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Status of market opening negotiations in the WTO	Initial negotiations underway on agriculture and services.	Consensus to launch new round of multilateral trade negotiations achieved.	The more than 140 members of the World Trade Organization worked through the year to prepare for the launch of new market-opening talks. The members agreed November 14, after the end of the fiscal year, at their Ministerial meeting in Doha to start these negotiations in January 2002.
Status of Integrated Framework (IF) for Trade-related Capacity Building Roundtables	None of needs yet met, as identified in IF needs-assessment funded roundtables.	Majority of needs met, as identified in IF roundtables.	Pilot trade capacity needs diagnostic projects in three least developed countries (Cambodia, Madagascar, Mauritania) were successfully completed as the IF was reenergized by member agencies. Eleven additional countries have been identified for diagnostic studies.

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
WTO membership	WTO has 136 countries	Add five new members.	Oman, Croatia, Lithuania, and Moldova joined during the fiscal year. Progress made in negotiations during the year enabled China and Taiwan to be admitted at the WTO's November 9–14, 2001, Ministerial in Doha
Number of countries agreeing to "Open Skies" aviation agreements	46	52	We reached new open skies civil aviation agreements with 7 additional countries, bringing the total to 53.
Status of multilateral policy dialogs	Launch OECD analytical study of investment policy changes in 21st century; expand adherents to OECD Declaration on Investment and Multilateral Enterprises.	Recommendation to OECD Ministerial on new policy initiatives; enhanced OECD work with Russia and China.	OECD expanded its investment outreach work with China, Russia, and other nonmember countries. Latvia, Israel, Singapore, and Venezuela are in the pipeline to adhere to the Declaration on Investment and Multilateral Enterprises.
Status of bilateral investment policy dialogs	Define countries to engage in bilateral dialog.	Launch dialog with key countries that are important markets for U.S. investors.	The investment dialog with Japan was launched. The United States reinvigorated its bilateral discussions with Russia on investment policy.
China's WTO accession	China is in WTO application process.	China completes WTO accession process and enters WTO.	Negotiations continued during the fiscal year. China was admitted to the WTO in November, after the fiscal year's close.
Status of INTELSAT privatization	Assembly of parties considering final privatization documents.	Privatization completed.	INTELSAT was privatized July 18, 2001.
Number of countries agreeing to liberalize telecommunications equipment certification and standards regimes	28	31	33
Number of countries agreeing to establish independent telecommunications regulatory agencies	5	7	8

Countries	Worldwide
Verification	Source: IMF, U.S. Government Storage: Department of State/EB
Complementary U.S. Government Activities (Non-Department of State)	Treasury: Reform of international financial institutions, efforts to strengthen financial architecture and promote sound economic policies; U.S. Trade Representative: Bilateral and multilateral efforts to promote trade liberalization; and U.S. Agency for International Development: Efforts to build capacity, combat corruption, improve health, and education.
Lead Agency	Department of State/EB
Partners	Regional bureaus, IO, INR, Treasury, U.S. Agency for International Development, U.S. Trade Representative, international financial institutions, and foreign governments

EXPAND U.S. EXPORTS



The impact of September 11 on not only the U.S. economy but other nations' economies as well illustrates the linkage between trade and prosperity and well-being. Globalization has allowed for sustained economic growth in the U.S. over the past decade. In 2000, U.S. exports totaled \$1.066 trillion — an 11 percent increase over 1999 — and 11 percent of our Gross Domestic Product, or one in every seven American jobs.

Trade will be increasingly important to the domestic economy and U.S. economic security. The 1997 National Export Strategy sets the goal of expanding U.S. exports of goods and services from \$800 billion in 1995 to \$1.2 trillion early in the 21st century. To accomplish the National Export Strategy objective, the Department relies on a number of export promotion efforts such as advocacy, finance, and public diplomacy. This is especially effective in fast-growing, emerging markets such as Mexico, Brazil, China, Korea, and India. The Department's geographic bureaus work with the Bureau of Economic Affairs to coordinate efforts to promote U.S. exports. The Department is also working with other U.S. agency members of the Trade Policy Coordinating Committee to improve U.S. export assistance programs and to increase the accessibility of these programs by small- and medium-sized firms. The Department's economic policy objectives overseas serve to increase market access and the competitiveness of U.S. products.

Recent events have had a negative impact on world economic growth and U.S. exports, however the effects will likely be short term. U.S. exports of goods decreased from \$756 billion from October 1999 to September 2000 to \$751 billion for the same period this year. The largest decrease was in September. Service exports increased slightly from \$289 billion to \$294 billion. The growth of service exports relative to goods continues a trend that began in the mid-1980s. Total U.S. exports for the October to September timeframe remained about the same as the previous year at \$1.05 trillion.

Promoted U.S. Interests

The Department of State advocated for dozens of U.S. companies, helping these firms to win billions of dollars in contracts that boost American jobs and prosperity. The Department also engaged with governments to encourage fair and transparent tender processes for U.S. companies and to remind foreign governments about the sanctity of contracts. The Department also provided more than \$425,000 in awards to more than 60 smaller U.S. Embassies and consulates without a Foreign Commercial Service presence to help develop U.S. export and investment opportunities in new markets.

Negotiated Treaties

A key aspect of U.S. export promotion strategy is negotiating bilateral investment treaties that reduce foreign barriers to U.S. goods, services, and capital investment. The Department also participated in interagency efforts to conclude or launch multilateral (WTO), regional (Free Trade Area of the Americas), and bilateral (Chile, Jordan, Vietnam) trade agreements that serve to improve market access for U.S. companies, which has a direct impact on exports.

National Interest	Economic Prosperity	Performance Goal #	EX-01
Strategic Goal			
Expand U.S. exports to \$1.2 trillion early in the 21st century.			
Outcome Desired			
Increase in both U.S. prosperity and U.S. companies' share of the global market.			
Performance Goals			
<ul style="list-style-type: none"> • Provide support to U.S. firms competing for business worldwide. • Increase exports of U.S. oil and gas field equipment and services. • Increase exports of U.S. telecommunications equipment and services. • Increase exports of U.S. agricultural products. 			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <ul style="list-style-type: none"> • The strategies outlined in the FY '01 plan were implemented and the goals were partially achieved. Exports in certain sectors, such as agriculture and energy, increased. • The Department met the performance objectives, however, due to general economic weakening and a sharp decline in exports for September, overall exports remained flat for the October 2000–September 2001 period. Services exports helped offset a slight decline in goods exports. • Strategies being pursued are increasing exports in the face of economic downturn. • Department actively engaged in bilateral, regional, and multilateral discussions to open foreign markets to American products; advocated for U.S. companies, helping win overseas contracts (worth billions of U.S. dollars). 			

Performance Indicator		FY '00 Actual	FY '01 Target	FY '01 Actual
Number of outreach meetings and business briefings held		160	200	228
Number of business conferences attended		48	60	63
Number of companies for whom advocacy services were provided		50	75	118
Number and type of training opportunities		Commercial orientation 10/99.	Commercial orientation 9/00.	Training Completed 10/01
Status of Intranet Web site		New project - no baseline	Develop Web site.	Intranet Web site running
Telecommunications and Technology equipment sales		\$115 billion	\$126 billion	Data unavailable at time report was printed
Minutes/messages of overseas service provided by U.S. telecommunications operators including satellite companies		27.5 billion minutes 5.2 billion messages	30.2 billion minutes 5.7 billion messages	Data unavailable at time report was printed
Oil and gas sector exports		Exports of oil and gas field equipment steady in response to a firming of world oil prices and some recovery in global exploration and production expenditures.	Meaningful increases in U.S. exports of oil and gas field equipment and energy services to support opening energy tracts in the Middle East, Latin America, and the Caspian Region.	Exports in sector grew by 25.6 percent for the first 9-month period of 2001 over the same period last year.
Agricultural exports		\$26.8 billion in total agricultural exports. (Inaccurate dollar value cited in FY '01 Plan. Accurate value was 50.9 billion)	\$29.4 billion in total agricultural exports. (Target figure for FY '01 was inaccurate in FY '01 Plan. Target should have been an increase over FY '00 actual)	\$52.9 billion in agricultural exports \$2 billion increase over FY '00
Verification	Source: IMF, U.S. Government Storage: Department of State/EB			
Countries	Worldwide			

Complementary U.S. Government Activities (Non-Department of State)	Treasury: Reform of international financial institutions, efforts to strengthen financial architecture and promote sound economic policies; U.S. Trade Representative: Bilateral and multilateral efforts to promote trade liberalization; and U.S. Agency for International Development: Efforts to build capacity, combat corruption, improve health, and education.
Lead Agency	Department of State/EB
Partners	Regional bureaus, IO, INR, Treasury, U.S. Agency for International Development, U.S. Trade Representative, international financial institutions, and foreign governments

GLOBAL ECONOMIC GROWTH AND STABILITY



The Department of State's leadership, in cooperation with Treasury, in international economic organizations has helped put good governance, environmental sustainability, poverty reduction, and social safety nets at the heart of development strategies. Economic growth and political stability are mutually reinforcing; the Department played a critical role in efforts to promote economic integration and recovery in Southeast Europe, Africa, Asia, and Latin America.

Global macroeconomic conditions have an increasing impact on the ability of the United States to export and to sustain economic growth, while maintaining low domestic inflation and unemployment. Economic health is also a critical determinant of stability worldwide.

In order to increase global economic growth and stabilize economic crises when they occur, the Department encourages countries that have a major impact on the global economy to adopt market-oriented investment, legal, and regulatory reforms. Countries are also encouraged to establish public-private partnerships to take advantage of private sector expertise and demonstrate private sector commitment to a country or region. Also, strengthening the International Monetary Fund and other international financial institutions to achieve regional financial stability, a key ingredient to global economic growth, can facilitate reform.

National Interest	Economic Prosperity	Performance Goal #	EG-01
Strategic Goal			
Increase global economic growth and stability.			
Outcome Desired			
Enhanced global economic performance and financial stability to support U.S. prosperity and exports and to maintain regional and global stability.			
Performance Goal			
Promote growth-oriented economic policies abroad and reduce the likelihood and severity of economic crises.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <ul style="list-style-type: none"> • Goal partially achieved: cyclical slowdown in world growth, exacerbated by "September 11," but economic stability maintained. Trade slump and lower cross-border investment flows worsened financial status of developing economies, contributing to additional demands for debt relief. • Maintain strategy since economic recovery expected in 2002. • Debt relief commitments to FRY, Turkey, Argentina, and Indonesia forestalled financial crises; pursuit of new trade round (Doha) and TPA affirmed U.S. commitment to global involvement. • No program evaluations completed; none planned in FY '01. • Performance Indicators are suitable "outcome" measures, with direct measurement of goals achieved. Exception is "activity" measure of "IMF reform programs, where the activity does not always result in desired reform goal. • Interagency coordination is adequate. • Customers/stakeholders can expect further pressure for debt relief by distressed developing economies; return to faster world economic growth; and progress on developing parameters for global trade negotiations. 			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Global GDP growth (IMF measure).	3.4%	4.2%	2.8%	2.4 (CY-2001); cyclical slowdown in world growth, exacerbated by September 11.
Key countries implementing IMF reform programs	Brazil, S. Korea, Indonesia, Thailand, Russia, Ukraine	Indonesia, Brazil, S. Korea, Argentina, Thailand	Indonesia, Argentina, Brazil, S. Korea, Nigeria, Thailand, Ukraine, Pakistan, Turkey	Indonesia, Argentina, Brazil, S. Korea, Thailand, Ukraine, Pakistan, Turkey; Nigeria failed to implement IMF reform program
Number of internationally approved telecom recommendations adopted by ITU member states	No consensus	40	+40	N/A
Status of new trade round	No data	No consensus reached to launch new round.	Consensus reached to launch new round.	Consensus built for decision to launch new round.
Number of countries liberalizing regimes for facilitating E-com/Internet	No data	5	+3	N/A
Verification	Source: IMF, U.S. Government Storage: Department of State/EB			
Countries	Worldwide			
Complementary U.S. Government Activities (Non-Department of State)	Treasury: Reform of international financial institutions, efforts to strengthen financial architecture and promote sound economic policies; U.S. Trade Representative: Bilateral and multilateral efforts to promote trade liberalization; and U.S. Agency for International Development: Efforts to build capacity, combat corruption, improve health, and education.			
Lead Agency	Department of State/EB			
Partners	Regional bureaus, IO, INR, Treasury, U.S. Agency for International Development, U.S. Trade Representative, international financial institutions, and foreign governments			

PROMOTE BROAD-BASED GROWTH IN DEVELOPING AND TRANSITIONAL ECONOMIES



Developing and transitional economies make the necessary policy changes to create environments capable of supporting sustained economic growth.

comprehensive, long-term international reconstruction effort for Afghanistan.

Over the long term, the prosperity of America benefits as transitional and developing nations expand their economies and open their markets. Economic growth that reduces poverty and provides opportunity can further regional stability and complements the advance of democracy and rule of law. Sustainable development also ameliorates global problems such as high population growth, the spread of infectious diseases, and environmental degradation.

The Department seeks this goal primarily through promoting the movement away from centrally controlled economies to market-based economies and by helping to make free markets work in developing nations. This is achieved by pursuing sound macroeconomic policies, promotion of private sector trade and investment, and financial market reforms in developing and transitional countries. The Department assists developing economies through coordination of efforts with donor nations, international financial institutions and other multilateral organizations.

Strong economies contribute to regional stability and democracy, while paving the way for more open markets for U.S. exports. Working with international financial institutions and other U.S. agencies such as Treasury, EXIM, and Commerce, the Department of State promotes policy reforms that lead to open markets and pluralistic societies in developing and transition economies. This year we have put particular emphasis on sound domestic policies and good governance as key conditions for development and growth as we have planned for two important international meetings, the Financing for Development Conference and the World Summit on Sustainable Development, to be held in 2002. In response to the events triggered by the terrorist attacks of September 11, the United States took the lead to initiate a

Supported Development Banks

The Department works closely with multilateral and regional development banks to promote growth in developing economies. Adequate funding for these institutions is crucial to U.S. international economic and political interests, including in Afghanistan, where they will play a key role in the international reconstruction effort.

Supported Eastern Europe

The Support for Eastern European Democracy (SEED) program assists countries in the region to continue their successful transition from communism to market democracies. The United States is extensively engaged in working with SEED countries to undertake the reforms necessary to qualify for graduation.

Supported Africa and the Caribbean

During 2001 we have worked to continue to implement the African Growth and Opportunity Act (AGOA) and enhancements to the Caribbean Basin Initiative (CBI) both of which foster sustainable development in their regions by increasing trade with the United States.

National Interest	Economic Prosperity	Performance Goal #	ED-01
Strategic Goal			
Promote broad-based growth in developing and transitional economies.			
Outcome Desired			
Significant advances in reducing global poverty over the next 5 to 10 years in line with the international development targets; adoption of market-based economies by former Communist countries; and integration of these and other developing economies into world economic systems such as the WTO.			
Performance Goal			
Initiating the global debt reduction program for all eligible Heavily Indebted Poor Countries (HIPC) who qualify with macroeconomic reforms and effective poverty reduction strategies before the end of FY '02, while integrating the former Communist countries into the international economic institutions and making them eligible for assistance from international financial institutions.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <ul style="list-style-type: none"> • Goal partially achieved. A cyclical slowdown in the United States and other major economies, exacerbated by the September 11th attacks, dampened prospects for growth and development. IMF has revised downward its 2001 growth estimate to 2.4%. • Maintain strategy to take advantage of economic recovery expected in 2002 and the opportunities resulting from the 2001 WTO round in Doha. IMF sees "good reasons" to expect recovery in 2002. • No program evaluations completed; none planned in FY '02. • We expect to advance U.S. growth and development goals via two summit-level meetings in 2002, the Financing for Development Conference, and World Summit on Sustainable Development. • Afghanistan reconstruction will focus significant effort and resources in 2002 and beyond. • Interagency coordination is adequate. • Customers and stakeholders can expect a return to faster world economic growth; growing demands for development assistance from states neighboring Afghanistan; and progress on recognizing domestic action as a key component of growth and development. 			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Average developing country GDP growth rate	3.5% for CY	4.8% for CY	4.4% for CY	Not available at the time the report was printed.
Average transition country GDP growth rate	0.8% for CY	2.6% for CY	3.9% for CY	"
Reduction of world population living in abject poverty	1.2 billion people	1% reduction	1-2% reduction	"
Number of countries receiving HIPC debt relief	4 countries	10 countries in total	22 countries in total	"
Verification				
Source: World Bank: IMF				
Storage: World Economic Outlook Report				
Complementary U.S. Government Activities (Non-Department of State)	Treasury Department, Department of Commerce, Export-Import Bank, OPIC, U.S. Trade Representative, U.S. Customs Service			
Lead Agency	Department of State/EB			
Partners	U.S. Agency for International Development, IMF, World Bank, Regional Development Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8			

AMERICAN CITIZENS



Support U.S. citizens abroad and those concerned about them in the United States

The tragic attacks of September 11, 2001, and the ensuing worldwide campaign against terrorism demonstrated the critical importance of the Department's core mission to protect American citizens abroad. The Bureau of Consular Affairs (CA) provided immediate and continuing assistance to New York City officials dealing with the cases of foreigners killed in the World Trade Center. CA also staffed several Department task forces with personnel trained in crisis management to deal with issues affecting overseas Americans. CA also coordinated with the Centers for Disease Control (CDC) and other relevant agencies to ensure that Americans abroad were kept apprised of the anthrax threat.

Throughout the year, the Department continued its efforts to keep Americans apprised of information that may affect their safety and security overseas. Civil unrest in Indonesia, Israel, the West Bank and Gaza and Macedonia; terrorist threats to U.S. citizens and interests throughout the world; violent demonstrations at international conferences in Canada, Italy, and elsewhere; kidnappings in Colombia and the Philippines; earthquakes and hurricanes; as well as the aftermath of the horrific September 11 events kept us extremely busy. Our efforts were devoted in large part to ensuring that our posts' warden systems were up-to-date, that accurate information was available, consistent with U.S. Government domestic information and conveyed to the American public overseas in a factual but nonalarmist manner.

Our Consular Information Program continues to be instrumental in providing Americans worldwide with information concerning upcoming events and potential threats to their safety. It is also a tool by which the Department can dispel rumors and evoke a measured, informed response by the public. With access to technology becoming more prevalent and due to significant outreach efforts by the Bureau of Consular Affairs (CA), we have seen a steady increase in the number of visits to the consular Web site (travel.state.gov).

The Web site received 117.9 million hits, 30.7 million more than in FY '00. The average day in FY '01 saw over 324,000 hits as opposed to 240,000 in FY '00. The daily level of hits, which reached as high as 653,550 in January, declined after February as interest in international travel lessened due to the economic downturn, but climbed again after September 11, as concern about safety abroad rose. The site received 3 million hits in the week after September 11, compared to 1.5 million in the preceding 7 days. Ninety percent of users surveyed found the Web site helpful. In January, a new and improved version of the Passport Acceptance Facility Database became available to our on-line customers. The database's search engine allows customers to locate the nearest passport acceptance facility within seconds of entering a ZIP Code.

Thanks to the efforts of Passport staff, major U.S. airlines and numerous on-line travel industry resources added Internet "hotlinks" from their Web sites to travel.state.gov. We added a "Travel Agent Information" section to the Web site, enhancing communication to the people who are often the most direct link to our customers. These efforts contributed to a 90 percent increase in monthly "hits" on the Passport Services home page. Visitors to the Web site can register to receive updated passport information, such as changes in application requirements or fees, by e-mail. We also added a section on the new V and K visas.

We issued a Request for Proposal to establish a Consular Contact Center to handle citizens' services, passport, and visa public information programs. The contact center will serve as an adjunct to our Web site in our effort to respond efficiently to public inquiries. By diverting the routine inquiries that represent the bulk of the telephone calls received by consular officers in the United States and abroad, it will give case officers more time to dedicate to individual cases that require an officer's attention. CA drafted scripts for contact center operators and posted them on Intranet, where posts were urged to review them and supplement them with post-specific information.

In March, CA launched an expanded series of regional meetings with stakeholder groups to inform them about consular services available to the traveling public, to share information designed to keep Americans safe abroad, and to answer their questions about passports, visas, and assistance to Americans abroad. We held the first regional briefings in the fall. We organized 69 briefings for congressional staff, international student program directors, students, business and community leaders, travel agents, medical assistance companies, immigration officials, police officers, and parents whose children have been taken abroad by the other parent, and participated in three travel fairs.

State does an annual mailing and press release targeting college students planning foreign travel, particularly for spring break, advising them about risks involved in drugs, alcohol, and disorderly behavior. Some young people are caught off-guard by unfamiliar surroundings and differences in local practices. Our experience has shown that alerting U.S. travelers to a few common-sense precautions will help them avoid unpleasant and sometimes dangerous situations. This year, we coordinated our education campaign with posts in Mexico, and issued a special press release aimed at the more than 100,000 American teenagers and young adults who travel to Cancun for spring break each year. The U.S. Customs Service, INS, and Agriculture Department joined in the effort and distributed fliers to vacationers crossing into Mexico. We also began efforts to reach younger students by writing to the State Education Commissioners.

To improve assistance to Americans in areas where there is no nearby Embassy or Consulate, we opened a new consular agency in Galapagos, and approved new consular agencies in Mexico (4) and in Tahiti. We also resumed full consular services at the U.S. Embassies in Belgrade, Yugoslavia, and Skopje, FYROM. CA provided more than \$22 million in MRV funds to keep our consular sections functioning.

Data from the American Citizens Service (ACS) system (including U.S. passports) at all consular posts worldwide is now transmitted in near-real time to a Consolidated Consular Database in Washington. This data is then available via a web interface to Washington and consular managers. We made up-to-date guidance and reference materials (including consular policy guides and training manuals) available to consular personnel via the Intranet. We also used the Intranet to facilitate long-distance interaction between

posts and Washington. These improvements enable consular officers to provide service more quickly to Americans abroad.

In FY '01, we deployed the Crisis Management module for use by the domestic task force staff to improve our service to Americans during crisis events. CA had installed its new CRISIS program on computers in the Operations Center prior to September 11. Within a few days, CA had set up additional Task Force sites in the consular systems training room and CA conference room. Running up to three training sessions per day, CA had soon trained 250 employees on the use of the new system.

The latest ACS release includes improvements to arrest services, and the reporting functionality is facilitated through establishment of the Consular Consolidated Database. We piloted a Consular Lost and Stolen Passport database and improvements to the ACS system. Deployment worldwide will follow in FY '02.

While still undergoing improvements to our computer programs, we initiated several efforts to track information concerning the well being of Americans overseas. While software improvements are underway, we have used Access programs to serve our needs. This has allowed management to obtain an overall picture of the mistreatment of Americans incarcerated overseas and to share that information with the Bureau of Democracy, Human Rights and Labor. Further, this tracking has aided us in identifying problems of delayed notification of arrest and access to Americans arrested abroad. Having established some baseline data, we should now be able to see whether our efforts to counter these breaches on the broader scale have been effective or whether additional steps need to be taken.

U.S. compliance with the consular notification and access requirements of the Vienna Convention on Consular Relations and 165 bilateral consular conventions is essential to the international credibility of the United States as we seek to protect Americans abroad and to defense of litigation in U.S. and international courts. The transfer of State's consular notification program from the Office of the Legal Adviser (L) to CA in 2001 allows State to devote additional resources to improving nationwide compliance with requirements of the treaties. L and CA, often in coordination with the Bureau of Diplomatic Security, Office of Protocol, and Office of Foreign Missions, engaged in efforts to educate state and local law enforcement and criminal justice personnel about their responsibilities for consular notification and access,

and established liaison relationships with the states. We also worked closely with the Department of Justice and other Federal agencies to ensure that their staffs are fully aware of consular notification and access requirements and established channels of communications with foreign consular officials in the United States.

In FY '01, there were 4 Consular Corps briefings on consular notification, 11 law enforcement seminars, and 3 meetings with state and local officials. We sent 13,618 copies of our 72-page instructional booklet on consular notification and access to all 50 states, plus D.C. and Guam, and distributed 61,228 Pocket Cards summarizing the consular notification requirements. We began distributing an 11-minute video as a tool to educate government officials at all levels about the requirements. Fifty-nine copies were sent to 12 states. Following the September 11 terrorist attacks, we worked with the Department of Justice (FBI and INS) to address concerns raised by foreign embassies regarding the large number of aliens detained on a variety of charges.

We have begun the process of tracking the manner of death of Americans who die overseas. Although some pitfalls remain in this area, we believe we will be able to track statistical information on the manner of death and to share that information publicly through our Web site as supplemental to that already contained in our Consular Information Program documents. This endeavor is in response to requests from the public and Congress for additional information on deaths of Americans overseas by year and country. Other work performed by American Citizen Services, such as judicial assistance and loss of nationality, is being tracked using these systems and has helped ensure a proper turnaround as well as the ability to report on the status of a particular case at any given time.

The Office of American Citizens Services was the subject of two Inspector General inspections and one GAO review during FY '01. First, the OIG and GAO conducted reviews of the Office's role with regard to Overseas Voting Assistance for Private Americans. The Department assists the Department of Defense (DOD) in providing voter assistance to private Americans overseas who wish to vote absentee. The Department's program shares information developed by DOD on the procedures of the 50 states with regard to voting absentee, the deadlines for registration in the local and Federal elections as well as information on the elections and the candidates.

Our Missions abroad conduct voter outreach and provide assistance to individuals who wish to register and vote absentee.

As FY '01 opened, the Department's Voting Assistance Program was busy responding to last-minute queries from Voting Assistance Officers abroad prior to the 2000 general election. In early 2001, the General Accounting Office and the Department's Inspector General undertook extensive reviews of the Program. While they concluded that we did a fairly good job of assisting voters abroad, they felt that additional training of our personnel, outreach to the public, and oversight of our missions would be beneficial. By the close of FY '01, our Chief Voting Action Officer and his staff had developed an action plan that called for an early start to our 2002 voting outreach efforts, expanded training and program direction, greater outreach to voting volunteers and American expatriate communities worldwide, and compilation and dissemination of updated program requirements and guidance through the Department's Intranet and Foreign Affairs Manual. In addition to our Intranet site, which serves as a bulletin board for sharing DOD information and DOS instructions to posts on voting assistance, we have established a global e-mail link with Voting Assistance Officers and their assistants at every U.S. Embassy and Consulate worldwide. Working with DOD, we are looking to further expand our outreach, training, and general oversight in this arena.

The OIG inspection of the Office of American Citizens Services concluded in FY '01, but the final report has not been issued as of this date. We understand there is a general view of the need for increased training of ACS officers, particularly new officers, and a need for instructions and guidance to be readily available for these officers. We have already instituted a program whereby each officer maintains a Standard Operating Procedures book with standard instructions and guidance provided by management on the full range of issues confronting the office. Informational and instruction cables sent to our Missions worldwide are now available on the Intranet so as to be readily available to our officers in Washington as well as overseas. We are also looking to contract out for help in updating the American Citizens Services segments of our Foreign Affairs Manuals.

CA and posts abroad handled nearly 1,200 parental abduction and prevention cases. The Assistant Secretary for Consular Affairs led a U.S. delegation, which included members of the U.S. Central Authority for the Hague abduction convention, the Department of Justice, federal and state

judges, practitioners, and attorneys, at the March 2001 Special Commission on the Practical Operation of The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction. The U.S./German bilateral working group on international parental child abduction met 3 times, which has resulted in improved access and return orders in new cases, and more German involvement in longstanding cases in Germany. CA conducted a successful test phase of the U.S. Government comprehensive case management tracking system for international parental child abduction cases. CA deployed the International Parental Child Abduction application module to the Office of Children's Issues to improve their ability to track abduction cases and to work with other agencies to resolve them.

We began the process of implementing the Inter-country Adoption Act of 2000 (IAA), enacted on October 6, 2000. We hired a contractor to provide proposed regulations and a statement of work to implement the IAA and, through the contractor, held two public meetings to discuss draft proposed regulations. CA's Office of Children's Issues led the U.S. delegation to the November 2000 The Hague Special Commission on the Practical Operation of The Hague Convention of 29 May 1993 on Protection of Children and Co-Operation in Respect of Inter-country Adoption. CA and INS coordinated efforts to create an adoption tracking system. We issued more than 19,500 visas worldwide to children being adopted from abroad.

We worked to secure enactment of legislation signed on October 30, 2000, that gives automatic citizenship to foreign-born adopted children and provided guidance to Passport Agencies and posts abroad on implementing the Child Citizenship Act of 2000.

Timely and effective passport issuance, with document integrity assured

In FY '01, the domestic passport agencies issued 7.1 million passports. The demand for passports was lower than the 7.6 million applications projected because of the downturn in the economy, terrorism in the Middle East, and the aftereffects of September 11.

The average wait time for in-person applications in 2001 was within a respectable range of 25 to 46 minutes. However, at our busiest agencies, wait times during peak periods sometimes exceeded 2 hours.

Our target for completing routine applications is 25 business days. Our work on hand during the three busiest months averaged 3.1 weeks. We issued 1.9 million passports (27% of the total) within 3 days of receiving the applications. In 2002, we plan to centralize processing of routine passport applications in our two large "mega centers" to improve further the timeliness and efficiency of our service.

A primary reason for progress in service levels was our success in adding passport staff. The number of people on board at the end of the year was 17% higher than the previous year. This was a major reason that the number of overtime hours worked decreased by almost 80% from the previous record year. Adequate time away from work is important for our employees' morale, as well as for the quality and accuracy of their work.

We have also received much positive feedback from staff on training provided last year. Passport employees enrolled in more than 500 individual courses. We also scheduled on-site training, which enabled us to meet our goal of training 40% of our staff during 2001.

We continued to use technology to enhance both the security and efficiency of our operations:

We installed the new photodigitization passport issuance system at four additional domestic passport-issuing offices, bringing the total using the new system in FY '01 to 14 offices covering over 93% of passport workload. By December 2001, all passports issued by the domestic passport agencies will incorporate the use of printed digital photos and related security devices resulting in greatly improved passport security. We began to research ways to efficiently bring this new technology to passport applicants abroad.

We completed implementation of PFMWeb, which provides personnel with direct electronic access to full-color digital images of passport records stored in Washington. The system is an invaluable tool that permits exchange of this information directly to a user's desktop for use in lost/stolen passport cases, emergencies involving American citizens, and other critical passport-related cases.

We implemented the Passport Lookout Tracking System (PLOTS). PLOTS, available on the Intranet, contains roughly 100,000 fraud files and is designed to virtually replicate fraud files in real-time to any authorized user.

Passport Services also completed software to deploy the Consular Lost and Stolen Passport (CLASP) database system allowing posts abroad to enter losses and thefts of U.S. passports. The purpose is to develop a consolidated database of lost and stolen passports and provide that information on a timely basis to the U.S. Customs Service for inclusion in the Treasury Enforcement Control System for use at U.S. borders. Since September 11, we are intensifying efforts to improve electronic data sharing with the other border security agencies (Customs, INS, and APHIS in the Department of Agriculture).

In January 2001, a new and improved version of the Passport Acceptance Facility Database became available to our on-line customers. The database's search engine allows customers to locate the nearest passport acceptance facility within seconds of entering their ZIP Code.

In FY '01, 352 post offices, libraries, and other state and local government offices signed up to accept passport applications, with a growing number also offering the option of on-site passport photos. Passport Services also revised the *Passport Agent's Reference Guide* to keep the more than 5,300 passport-application acceptance facilities advised of changes in policy and procedure. Passport Services received an award from the National Partnership for Reinventing Government for working with the U.S. Postal Service to increase the number of conveniently located places to apply for passports.

Passport Services assisted more than a dozen foreign countries in their efforts to improve their national passports and/or their internal controls over passport issuance. This has a direct and beneficial effect on the U.S. visa process as well as U.S. border security since improved passports are harder to alter and counterfeit.

In a further effort to ensure the integrity of the U.S. passport, CA will introduce facial recognition technology into the passport adjudication process and develop systems to ensure that U.S. passports are not issued to persons of concern to law enforcement. We will also work with the FBI to create a new passport lookout category for the Consular Lookout and Support System to contain names of all U.S. citizen victims of September 11. This will help prevent identity theft facilitated by the flood of information now in the public domain about the victims.

National Interest	American Citizens and U.S. Borders	Performance Goal #	AC-01
Strategic Goal			
Protect the safety and security of American citizens who travel and live abroad.			
Outcome Desired			
U.S. citizens will have the information, services, and protection they need to travel or reside abroad.			
Performance Goal			
Support U.S. citizens abroad and those concerned about them in the United States			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <p>Throughout the year, we kept Americans apprised of information that may affect their safety and security overseas and assisted them when they needed help. Civil unrest in Indonesia, Israel, the West Bank and Gaza, and Macedonia; terrorist threats to U.S. citizens and interests throughout the world; violent demonstrations at international conferences in Canada, Italy, and elsewhere; kidnappings in Colombia and the Philippines; earthquakes and hurricanes kept us very busy. To improve assistance to Americans in areas with no nearby Embassy or Consulate, we opened a consular agency in the Galapagos Islands. We resumed full consular services in Belgrade and Skopje.</p> <p>Our efforts were devoted in large part to ensuring that our posts' systems for contacting Americans abroad in a crisis were up-to-date and that accurate information was available, consistent with U.S. domestic information, and conveyed in a factual but nonalarmist manner. We trained 250 employees on the use of a new Crisis Management System for use by task forces to improve service to Americans during crises. Following September 11, we provided assistance to New York City officials dealing with the deaths of foreigners in the World Trade Center and helped Americans stranded abroad by the closure of U.S. air space.</p> <p>Our Consular Information Program was instrumental in providing Americans worldwide with information concerning upcoming events and potential threats to their safety. We issued 65 Travel Warnings, 120 Public Announcements, and 189 Consular Information Sheets. Domestically, we held 69 briefings for stakeholder groups, including international student program participants, travel agents, business and community leaders, medical assistance companies, immigration officials, police officers, and parents whose children were taken abroad by the other parent. Posts abroad met extensively with local Americans.</p> <p>We handled approximately 1,200 parental abduction and prevention cases. Assistant Secretary Ryan led the U.S. delegation to the March 2001 Special Commission on the Practical Operation of the Hague Convention on the Civil Aspects of International Child Abduction. The U.S./German bilateral working group on international parental child abduction (IPCA) met 3 times, resulting in improved access and return orders in new cases, and more German involvement in long-standing cases. We deployed an IPCA module to the Office of Children's Issues to improve their ability to track abduction cases and to work with other agencies to resolve them.</p> <p>Data from the American Citizens Service (ACS) system (including U.S. passports) at all consular posts worldwide is now transmitted in near-real time to a Consolidated Consular Database (CCD) in Washington and available via a Web interface to Washington, D.C., and consular managers. The latest ACS release includes improvements to arrest services, and the reporting functionality is facilitated through establishment of the CCD. We piloted a Consular Lost and Stolen Passport database.</p>			

FY '01 RESULTS AS OF 9/30/01

We started the process of implementing the Inter-country Adoption Act of 2000 by hiring a contractor to provide proposed regulations and held two public meetings to discuss draft regulations. Coordinating with INS, we began work on a system to track adoptions. We participated in the November 2000 Hague Special Commission on the Practical Operation of the Hague Convention on Protection of Children and Co-Operation in Respect of Intercountry Adoption. We issued more than 19,500 visas worldwide to children being adopted from abroad. We worked to secure enactment of the Child Citizenship Act of 2000, giving automatic citizenship to foreign-born adopted children, and provided guidance to the field.

In order to improve U.S. compliance with the consular notification and access requirements of the Vienna Convention on Consular Relations and 165 bilateral consular conventions, which is essential to the international credibility of the United States as we seek to protect Americans abroad, we engaged in extensive outreach. We held 4 Consular Corps briefings, 11 law enforcement seminars, and 3 meetings with state and local officials. We sent 13,618 copies of our 72-page instructional booklet on consular notification and access to all 50 states, plus D.C., and Guam, and distributed 61,228 Pocket Cards summarizing the notification requirements. We began distributing an 11-minute video as a tool to educate government officials about the requirements. Fifty-nine copies were sent to 12 states. Following September 11, we worked with the Department of Justice to address concerns raised by foreign embassies regarding the large number of aliens detained on a variety of charges.

The OIG and GAO conducted reviews of the Overseas Voting Program in which the State Department assists the Department of Defense in providing voter assistance to Americans overseas who wish to vote absentee. The reviews concluded that we did a fairly good job of assisting voters abroad, but that additional training of our personnel, outreach to the public, and oversight of our Missions would be beneficial. Subsequently, we developed an action plan that calls for an early start to our 2002 voting outreach efforts, expanded training and program direction, greater outreach to voting volunteers and American expatriate communities worldwide, and compilation and dissemination of updated program requirements and guidance through the Department's Intranet and Foreign Affairs Manual. In addition to our Intranet site, which serves as a bulletin board for sharing Department of Defense information and Department of State instructions to posts on voting assistance, we have established a global e-mail link with voting assistance officers and their assistants at every U.S. Mission. Working with Department of Defense, we are looking to further expand our outreach, training and general oversight in this arena.

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Accuracy and availability of Consular information	CA's Web site received 55.7 million hits in FY '99 (30 million more than in FY '98), averaging 147,821 per day. Web site featured new sections on student safety abroad and crisis awareness, preparedness, and response. Web site received "best of the Web" kudos from Ask Jeeves (Silver Platter Site) and GovSpot (Spotlight Award). Web site promoted as the best place to obtain consular information and an authoritative source of travel safety information. Planning for call center began.	CA's Web site averaged almost 240,000 hits per day (87.2M in FY '00); 90% of users found information helpful; added section on road safety abroad. One of 16 "Best Feds on the Web" (Government Executive). Issued 40 Travel Warnings, 138 Public Announcements, and 150 Consular Information Sheets.	Successful: CA's Web site accommodates 230,000 hits per day. Additional features and updates added as defined by customer needs. Minimally Effective: CA's Web site accommodates fewer than 230,000 hits per day.	CA's Web site averaged 324,226 hits per day (117,990,124 in FY '01). Ninety percent of users found information helpful. We added a Passport Acceptance Facility Database searchable by ZIP Code to help customers locate the nearest place to apply for a passport. We also added a section on the new V and K visas. We issued 65 Travel Warnings, 120 Public Announcements, and 189 Consular Information Sheets. We issued a Request for Proposal to establish a Consular Contact Center to handle citizens' services, passport, and visa public information programs. We drafted scripts for contact center operators and posted them on the Intranet, where posts reviewed them and supplemented them with post-specific information.
Verification	Source: AccessWatch usage statistics for travel.state.gov Storage: AccessWatch Validation: AccessWatch; American Customer Satisfaction Index.			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Availability of automated case-tracking information	Data exist, but systems lack ability to track trends or report.	The ACS system in OCS and all operating consular sections made a successful transition to Year 2000. Sixty additional posts began replicating data to and from Washington. Thirty-seven overseas posts gained electronic access to passport issuance information. Initial work on identifying user needs completed.	<p>Successful:</p> <p>Requirements analysis/definition and software development for systems to track international parental child abduction cases and international adoption cases begins.</p> <p>American Citizens Services (ACS) system is modified to easily capture and report information on mistreatment of and access to arrested Americans.</p> <p>Minimally Effective:</p> <p>Requirements analysis/definition for systems to track international abduction and adoption cases begins.</p> <p>Requirements analysis/definition for system modifications to track mistreatment of and access to arrested Americans begins as data is tracked manually.</p>	The International Parental Child Abduction application module was deployed. CA conducted a successful test phase of the U.S. Government comprehensive case management tracking system for international parental child abduction cases. CA and INS coordinated efforts to create an inter-agency adoption tracking system. Requirements analysis/validation and development of a system design concept for the adoptions tracking system began. Data from the American Citizens Service (ACS) system (including U.S. passports) at all consular posts worldwide is now transmitted in near-real time to a Consolidated Consular Database (CCD) in Washington, D.C. This data is then available via a Web interface to Washington and consular managers. The latest ACS release includes improvements to arrest services, and the reporting functionality is facilitated through establishment of the CCD. CA has used Access programs to obtain an overall picture of the mistreatment of Americans incarcerated overseas and to share that information with DRL. We have begun the process of tracking the manner of death of Americans who die overseas. We deployed the Crisis Management module for use by the domestic task force staff to improve our service to Americans during crises. We piloted a Consular Lost and Stolen Passport database.

Verification	Source: Project management milestones Storage: Systems project plan Validation: Testing and review by users and project team and independent verification review
Countries	Worldwide
Lead Agency	Department of State/ CA
Partners	Department of State: Overseas Missions, Regional Bureaus, FSI, DS, S/CT, PA, S-S/O, HR, L, H, M, FMP, OBO, A, INR, IM Non-Department of State: Department of Justice, Department of Defense, Health and Human Services, Department of Transportation, nongovernmental organizations

National Interest	American Citizens and U.S. Borders	Performance Goal #	AC-02
Strategic Goal			
Protect the safety and security of American citizens who travel and live abroad.			
Outcome Desired			
A travel document that meets or exceeds international standards and is issued within 25 business days of the receipt of a properly completed passport application.			
Performance Goal			
Timely and effective passport issuance, with document integrity assured.			
<p style="text-align: center;">FY '01 RESULTS AS OF 9/30/01</p> <p>In FY '01, the domestic passport agencies issued 7.1 million passports. Overseas posts issued another 250,000 passports. The demand for passports was lower than the 7.6 million applications projected because of the downturn in the economy, terrorism in the Middle East, and the aftereffects of September 11.</p> <p>We made the application process easier for passport customers by enhancing our Web site with a database searchable by ZIP Code to help them locate the nearest place to apply for a passport and signing up an additional 352 post offices, libraries, and other state and local government offices to accept applications. The average wait for in-person applications at passport agencies was 25–46 minutes. Our work on hand domestically during the 3 busiest months averaged 3.1 weeks, with the target being no more than 5 weeks. We issued 1.9 million passports (27 percent of the total) within 3 days of the receipt of the applications at domestic facilities. A primary reason for progress in service levels was our success in adding staff. The number of passport personnel at year's end was 17 percent higher than the previous year. Overtime hours worked decreased by almost 80 percent from the previous record year. Adequate time away from work is important for employees' morale, as well as for the quality and accuracy of their work. Passport employees enrolled in more than 500 individual training courses. We also scheduled on-site training, which enabled us to meet our goal of training 40 percent of passport staff in 2001.</p> <p>We continued to use technology to enhance both the security and efficiency of passport operations. We installed the new photodigitization passport issuance system at 4 additional domestic passport-issuing offices, bringing the total using the new system in FY '01 to 14 offices covering over 93 percent of passport workload. The Washington and Chicago passport agencies were in the process of converting to the new technology, and by December 2001 all passports issued by the domestic passport agencies incorporated the use of printed digital photos and related security devices resulting in greatly improved passport security. We began to research ways to efficiently bring this new technology to overseas issuances. We completed implementation of PFMWeb, which provides employees with desktop electronic access to digital images of passport records stored in Washington, D.C. We implemented the Passport Lookout Tracking System, which is designed to virtually replicate roughly 100,000 fraud files in real-time to any authorized user. We completed software to deploy the Consular Lost and Stolen Passport (CLASP) database system allowing posts abroad to enter losses and thefts of U.S. passports. Since September 11, we have intensified efforts to improve electronic data sharing with other border security agencies. We assisted more than a dozen foreign countries in their efforts to improve their national passports and/or their internal controls over passport issuance. This has a direct and beneficial effect on the U.S. visa process as well as U.S. border security since improved passports are harder to alter and counterfeit.</p> <p>In 2002, we plan to centralize processing of routine passport applications in our two "mega centers" to improve further the timeliness and efficiency of our service. In a further effort to ensure the integrity of the U.S. passport, we will introduce facial recognition technology into the passport adjudication process and develop systems to ensure that U.S. passports are not issued to persons of concern to law enforcement. We will also work with the FBI to create a new passport lookout category for the Consular Lookout and Support System to contain names of all U.S. citizen victims of September 11. This will help prevent identity theft facilitated by the flood of information now in the public domain about the victims.</p>			

Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Passport applications	6.7 million passports issued	7.3 million passports issued	7.6 million passports issued	7.4 million passports issued
Verification	Source: Department of State/CA's corporate data base and posts abroad Storage: CA's corporate data base and posts abroad Validation: CA			
Performance Indicator	FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Status of passport photodigitization	Introduction of passports with digital photographs at National Passport Center (NPC) and New Orleans Passport Agency (45 percent of domestic passport production of 6.7 million).	System for issuing passports with digital photographs installed at 4 additional passport-issuing offices, bringing total using new system to 6 offices covering over 70 percent of passport workload. Installed high-speed color imaging system (PRISM) that can transmit passport applications electronically. 37 overseas posts gained electronic access to passport issuance information.	Successful: Remaining passport field agencies are successfully converted to and trained in new passport issuance system. Minimally Effective: All but one or two agencies converted and trained.	We installed the new photodigitization passport issuance system at four additional domestic passport-issuing offices, bringing the total using the new system in FY '01 to 14 offices covering over 93 percent of passport workload. The Washington and Chicago passport agencies were in the process of converting to the new technology, and by December 2001 all passports issued by the domestic passport agencies incorporated the use of printed digital photos and related security devices resulting in greatly improved passport security. We began to research ways to efficiently bring this new technology to passport applicants abroad. We completed implementation of PFMWeb, which provides personnel with direct electronic access to full-color digital images of passport records stored in Washington. We implemented the Passport Lookout Tracking System (PLOTS). PLOTS, available on the Intranet, contains roughly 100,000 fraud files and is designed to virtually replicate fraud files in real-time to any authorized user.
Verification	Source: CA Storage: CA Validation: CA			
Countries	U.S., worldwide			
Lead Agency	Department of State/ CA			
Partners	FSI, HR, DS, A			

TRAVEL AND MIGRATION



Securing the borders of the United States against the entry of criminals, terrorists, illegal migrants, and traffickers in narcotics, weapons, or persons consists of a series of concentric rings of protection, with the Department of State—through its overseas visa adjudication responsibility—providing the outermost ring of security and the Immigration and Naturalization Service (INS) providing security at the border. The tragic terrorist attacks of September 11, 2001, demonstrated just how critical this mission is to the national security of the United States.

Consular officers abroad must facilitate legitimate travel while preventing the travel of individuals who present security or other threats to U.S. interests. To do this effectively, consular officers need electronic access to information from border security, intelligence, and law enforcement agencies that will assist in identifying high-risk travelers. Until after the terrorist attacks on September 11, consular officers did not have access to important law enforcement and intelligence information for screening visa applicants.

Although we have a state-of-the-art visa namecheck system that is regularly upgraded, it is only as good as the information it contains. In the wake of the terrorist attacks, our longstanding requests for enhanced data sharing with intelligence and law enforcement agencies are beginning to be fulfilled.

We have been continually engaged in efforts to design, deploy, and improve the consular processes, systems, and services that support our goals related to travel to and from the United States. We have a comprehensive border security strategy that addresses all facets of consular work.

Meet anticipated increases in demand for nonimmigrant and immigrant visas.

The decrease in immigrant visa (IV) case numbers from FY '00 to FY '01 is due to the extremely heavy demand from INS for visa numbers to adjust the status of large numbers of aliens already in the United States. The nonimmigrant visa (NIV) demand in FY '01 was higher than projected and would have been even higher, except for the terrorist attacks, which disrupted international travel in the last 3 weeks of the fiscal year.

Accommodate workload increases resulting from new legislative mandates projected at approximately 5 percent.

The Border Biometric Program processed 2,333,967 Border Crossing Cards ("laser visas") during the fiscal year. Technical difficulties prevented the implementation in the summer of 2001 of the desired Local Card Production Program. We now expect to start a local production pilot program in Mexico City in early 2002 and hope to produce 2,000 cards per week. Since Congress did not extend the deadline on which Border Crossing Cards without biometric indicators expired, demand for new cards surged dramatically and will probably continue through FY '02.

The event that had the greatest impact on visa processing prior to September 11 was the passage into law in early FY '01 of the Legal Immigration Family Equity Act, which created two new nonimmigrant visa categories that will involve hundreds of thousands of additional applications. The first of these new visas was issued on April 1, 2001, and by the end of FY '01 posts abroad had processed almost 34,000 of them.

Improve management of core consular functions, maximize technology, and improve business practices.

Beginning in 1996, using funds derived from Machine Readable Visa fees, we undertook a major modernization of consular systems. By March 2001, all visa data collected abroad was being replicated to the Consular Consolidated Database (CCD). In May 2001, consular officers abroad gained access to the Consular Consolidated Database. The details of visa issuance, once available only to the post taking action, are now available in real-time to all visa offices worldwide. Visas can be checked at any point in the issuance process against all issued and refused visas worldwide, and consular management in Washington now has access to up-to-the-minute information about visa and passport issuance around the world. This data and the associated digital photographs of NIV applicants proved to be critical to our ability to support the anti-terrorist task forces after September 11. As FY '02 began, we had searched more than 900 nonimmigrant visa records at the request of Federal law enforcement task forces investigating the terrorist attacks. Passport Services provided law enforcement with 305 records. We used facial recognition software to compare the photographs in our Consolidated Consular Database of the hijackers against other visa photographs, but found no evidence that they had applied using different names.

During FY '01, we took steps to enhance the integrity of the nonimmigrant visa by developing a new, even more secure machine-readable visa (MRV). We are designing a matching machine-readable immigrant visa to upgrade the security of that visa. We also worked with the Secret Service laboratory to identify a secure ink with which to cancel MRVs that are voided by a consular officer, in order to prevent the "recycling" of expired MRVs.

We continued to work with state officials to raise awareness of the dangers of posting vital records on the Internet, where impostors can obtain information allowing them to steal others' identities. We also began discussions with a professional association to determine whether CA could participate in selecting the information fields to be entered by SSA as part of a project to automate birth records of the 50 states. Enhanced security and reliability of birth certificates and other documents submitted in support of passport applications helps to safeguard the integrity of US passports. In conjunction with this, we also began a pilot program to provide passport adjudicators with electronic means of detecting counterfeited drivers licenses.

The National Visa Center (NVC) processed 364,837 immigrant visa petitions during the fiscal year, and reviewed an additional 63,900 cases for the completeness of various supporting documents before sending the cases to consular sections abroad for action. NVC also enhanced border security by running approximately 1.67 million National Crime Information Center namechecks for various categories of immigrant and nonimmigrant visas. The Kentucky Consular Center (KCC), established to process the millions of pieces of mail received annually by the Diversity Visa "Lottery" program, began operation. The concept of both of these centers is to centralize critical processing functions in the United States to allow leaner operations to run at posts abroad.

We developed a Web-based system called INSAMS (INS Allocation Management System), with which INS officers can obtain authorization to use immigrant visa numbers around the clock. This system, in the pilot stage in three sites, is intended to replace a fax-based system that involves manual data processing of INS requests and operates only during Washington business hours. The program should benefit both the Visa Office and INS with timesavings and accuracy.

During the year, we coordinated with the Salt Lake Organizing Committee to develop and test a system called the Olympic Visa Information Database (OVID) to issue United States visas electronically on Olympic and Paralympic Identity Cards for accredited participants in the 2002 Salt Lake Winter Olympics.

In January 2001, we sent a cable reminding posts of general guidance for making and removing entries in the Consular Lookout and Support System (CLASS) in order to improve the quality and usefulness of the data in CLASS. We enhanced the capabilities of the namecheck system by deploying a Russo-Slavic namecheck algorithm. All visa-issuing posts and all passport offices are currently connected to the CLASS system through telecommunications links.

To ensure the availability of information needed for effective visa adjudication, we deployed facial recognition software to the Kentucky Consular Center to combat a problem of multiple Diversity Visa applications under assumed identities. We provided nearly 800 small-footprint computers to posts in FY '01 for use in interview windows, making it possible for posts with minimal space to have easy access to online information when speaking

to visa applicants. We initiated a deployment of stand-by Oracle servers to posts, providing a readily available back-up contingency in case of catastrophic server failure.

We continue to rely on Machine Readable Visa fees to finance the salary and basic benefits of over 2,000 American employees who provide worldwide consular services, including adjudication of NIVs and IVs. In FY '01, CA funded 35 new entry-level overseas consular positions. To cover staffing gaps and address increased workload worldwide, we also increased the number of WAE and other TDY assignments from 106 in FY '00 to 235 in FY '01 (person/years of assistance grew from 19 to 33 in the same period). CA provided over \$22 million in MRV funds to keep our consular sections functioning.

Ensure training of consular personnel.

CA and FSI worked together to provide 21st century management tools to consular employees. CA provided \$1.782 million in funding for FSI training for consular personnel and supported FSI regional consular leadership and development conferences for mid-level officers. Consular trainers made 161 trips to posts for refresher training in automated systems.

Using the consular Intranet home page, we have made up-to-date guidance and reference materials (including consular policy guides and training manuals) available to consular personnel. We have also used the Intranet to facilitate long-distance interaction between posts and Washington, D.C. and provide on-line training.

In FY '01, we reissued two anti-fraud self-instructional guides for consular staff, and drafted another. We conducted four weeklong fraud courses for consular personnel (an increase of 25 percent). Also during the year, CA's Office of Fraud Prevention Programs provided anti-fraud training at eight conferences hosted by other Department entities. These activities helped ensure that consular personnel provide knowledgeable and efficient service to the American public while still preventing the abuse of U.S. citizenship documents. We provided basic training on fraud issues to approximately 500 new personnel who will be going overseas to adjudicate visas and passports. Our twice-monthly sessions provide instruction on detecting fraudulent applications. The training we offer is not duplicated elsewhere and is essential to the education of consular officers who ultimately protect the security of U.S. borders.

For officers in the field, we provided monthly intelligence on fraud trends and management of fraud prevention programs overseas through our *Fraud Digest*, supplemented by weekly *Intelligence Alerts*. The *Alerts* also provided the latest information on stolen blank foreign passports. We distributed daily information on immigration and smuggling trends from INS through distribution of INS's publication, *Borderline*.

In November 2000, CA's Assistant Secretary asked consular offices worldwide to do something we had never done before—to put aside routine work for one day in January and focus on leadership and management issues. CA and some posts had activities that spanned several days. Several posts took lessons from private-sector management theory and practice and adapted them to consular work. At some posts there was a focus on some of the challenges that we, like businesses, must consider: recruitment and retention of employees and potential burnout of middle management. Unit chiefs at one European post surveyed their staffs to find out areas in which they were succeeding as managers and areas where they could improve. The chiefs met weekly prior to leadership day to begin thinking about ways in which they personally could make a positive change. Several other posts held team building and leadership exercises, challenging participants to identify problems and explore solutions. Many posts organized presentations by regional medical officers to talk about stress in the workplace. Another recurring theme was how to provide consistent, reliable, customer-friendly, and respectful service. This exercise was a useful effort to enrich the professional experiences of consular staff, both American and FSN, and to ensure that we provide a work environment in which each of us can achieve our best.

Share data with law enforcement and intelligence agencies.

We are working to widen the flow of information to relevant Federal Inspection Services. We are mindful of the challenges that INS faces in inspecting millions of foreign visitors at ports of entry. We have a number of initiatives underway to share additional information with INS in order to improve border security. The Consolidated Consular Database allows us to make visa information, including digital nonimmigrant visa photographs, immediately available both in Washington and at all consular sections worldwide. We want INS to be able to make good use of this data, particularly the photographs of the individuals issued visas.

Since the mid-1990's, State and INS have had a cooperative program which has resulted in State forwarding to INS, for use at ports of entry, electronic data on 55 percent of all immigrant visa recipients. The two agencies have cooperated in exchanging information at all stages of the immigrant visa process, from approving petitions to issuing legal permanent residence cards. In FY '02, we will make certain software changes that should allow complete sharing of immigrant visa information with INS.

State has for some time been prepared to share all of its replicated non-immigrant visa files with INS as soon as INS is ready to receive it. Toward that end, in July 2001, we deployed a pilot program to share limited nonimmigrant visa data with INS inspectors at Newark and with the INS forensic document lab. The program was expanded to Miami in September, and the INS Commissioner pledged to make the data available to all ports of entry early in 2002. We look forward to the day when we can share this information with all INS ports of entry, as it will give INS inspectors near real-time access to data that will allow them to better detect fraud and facilitate legitimate travelers. In the meantime, INS inspectors have access to our electronic visa data via telephone contact with the Visa Office.

Since February 2001, information on all lost and stolen foreign passports reported to State has been entered into the Consular Lookout and Support System (CLASS) and transmitted to the Interagency Border Inspection System (IBIS). We developed an e-form by which posts can report lost/stolen/missing foreign passports with U.S. visas in them. By simplifying the reporting process, we not only encouraged a 500 percent increase in notifications, but also delivered the information to INS for inclusion in the ORION/LEADS system. The latter achievement adds significantly to the information available to INS inspectors at ports of entry. In September 2001, transmission of information on lost and stolen U.S. passports to IBIS began in London.

In August 2001, Diplomatic Security's connection to CLASS was greatly enhanced to provide support for increasing security needs. Washington-based agents now have desktop access to CLASS.

We have long sought "serious violator" data from the U.S. Customs Service and gained final agreement with Customs for the transfer of approximately 18,000 lookouts beginning in FY '02. The lookouts will come from Customs through its direct electronic link to IBIS. CLASS already transmits its most

serious lookouts electronically to IBIS for use by INS and other border inspection agencies.

Reduce the risk of illegitimate entry of aliens hostile to our interest by using all-source information from throughout the U.S. Government to identify foreign terrorists and criminals.

TIPOFF, a counterterrorism tool funded by CA and maintained by the Bureau of Intelligence and Research (INR), utilizes sensitive intelligence and law enforcement information contributed by the CIA, NSA, and FBI to watchlist known or suspected terrorists. The objective of the program is to detect these individuals either as they apply for visas overseas or as they attempt to pass through U.S., Canadian, or Australian entry points. In FY '01, Canada with which we have shared terrorist lookout information since 1998, began reciprocal sharing. The TIPOFF CRIME program performs the identical functions with regard to members of Russian organized crime groups, but for U.S. watch systems only. The Visas Viper program, created in 1993, solicits information on suspected terrorists from overseas posts for inclusion in the TIPOFF database, as well as for watchlisting in CLASS and IBIS. The procedural annex of Visas Viper, called TIPPIX, incorporates photographs of terrorists into the TIPOFF and IBIS databases.

TIPOFF can add lookouts directly to the CLASS namecheck database, where they are immediately available to Foreign Service posts worldwide. TIPOFF records currently comprise over 48,000 of the 5.8 million entries on aliens in the CLASS system. A subset of these entries, held to a higher standard of biographic data, is also entered in the IBIS port-of-entry namecheck system, operated by INS and Customs. There are over 23,000 TIPOFF entries in IBIS.

Since its inception in 1987 to the beginning of FY '02, the TIPOFF program has enabled the Department to detect and deny visas to 741 hijackers, hostage holders, assassins, bombers, and other terrorists. (Some of these individuals later received waivers of ineligibility either for foreign policy reasons, or to facilitate law enforcement action upon their arrival in the United States.) Similarly, INS was able to intercept and deny entry to 254 terrorists from 79 countries at 80 different ports of entry; another 11 were arrested upon arrival.

In FY '01, preliminary figures indicate that there have been 178 true TIPOFF hits for visa applicants checked through CLASS. Of those, 81 were denied,

14 abandoned their applications, and 4 withdrew applications. There was insufficient information in the other cases to make a finding of ineligibility under Section 212 (a)(3)(B) of the Immigration and Nationality Act. TIPOFF (via the IBIS system) yielded 86 true hits from the terrorism database at ports of entry in FY '01. Of these, 38 of the individuals in question were denied entry, and one was arrested. Three were paroled for operational reasons, and 23 were questioned and admitted. There was insufficient information in the other cases to deny admission.

The terrorist attacks of September 11 caused other agencies to share a great deal of information regarding terrorists with State. The number of TIPOFF entries into CLASS ranged from 256 to 364 in June through August 2001. In September, 990 entries were made. In early FY '02, the President directed the creation of an interagency Foreign Terrorist Tracking Task Force (FTTTF) to institutionalize the information sharing process. State is working closely with the FTTTF and the Homeland Security Council on this issue and others related to U.S. border security.

Again this year, we worked with the Department of Justice (INS and FBI) on legislation that would give consular and immigration officers access to certain crime information. We were not successful in having a bill introduced until after September 11. This and other provisions we had sought were included in the USA PATRIOT Act, enacted early in FY '02. Consular officers now will have access to certain law enforcement and intelligence information that will aid in efforts to keep terrorists and other criminals out of the United States.

The Department is also working closely with the Homeland Security Council, Customs, INS, and other relevant agencies to strengthen border security measures with Canada and Mexico in the wake of the September 11 attacks. These consultations will continue to be a major priority in FY '02.

The Department is supporting the efforts of INS to deploy the Student and Exchange Visitor Information System (SEVIS) on a nationwide basis. SEVIS will track foreign students in the United States, and while the project is primarily an INS responsibility, it will likely require changes in some student-visa issuance procedures. The Department has long maintained a listing of sensitive areas of study which trigger special visa clearance procedures for certain applicants; the Department fully supports the Homeland Security Council's creation of an interagency working group to formalize the process of defining sensitive technologies and areas of study.

The U.S. Government's antiterrorism efforts also received a boost at the end of FY '01 when a provision that State had proposed was enacted as S. 1424. That bill made permanent the "S" visa program, which was created in 1994 to support State's terrorism information rewards program and had expired on September 12. Over the years, the offer of lawful nonimmigrant and potential lawful permanent resident status in return for critical and reliable information concerning criminal activities has encouraged many persons to divulge information to the authorities that otherwise would have been much more difficult or perhaps impossible to obtain. Up to 250 people can receive "S" visa status each year. The President signed the bill on October 1, 2001.

National Interest	American Citizens and U.S. Borders	Performance Goal #	TM-01
Strategic Goal			
Facilitate travel to the United States by foreign visitors, immigrants, and refugees, while deterring entry by those who abuse or threaten our system.			
Outcome Desired			
Facilitate the travel and immigration to the United States of legitimate visa applicants and the denial of visas to ineligible applicants.			
Performance Goals			
<ul style="list-style-type: none"> • Meet anticipated increases in demand for nonimmigrant and immigrant visas. • Reduce the risk of illegitimate entry of aliens hostile to our interest by using all-source information from throughout the U.S. Government to identify foreign terrorists and criminals. 			
FY '01 RESULTS AS OF 9/30/01			
<p>We have a comprehensive border security strategy that is designed to facilitate the legitimate travel of the majority of visa applicants while preventing the travel of individuals who present security or other threats to U.S. interests. To effectively identify those who present a risk, consular officers need electronic access to information from border security, intelligence, and law enforcement agencies. Until after the September 11 terrorist attacks, consular officers did not have access to important law enforcement and intelligence information for screening visa applicants.</p> <p>Although we have a state-of-the-art visa namecheck system that is regularly upgraded, it is only as good as the information it contains. In the wake of the terrorist attacks, our long-standing requests for enhanced data sharing with intelligence and law enforcement agencies are beginning to be fulfilled.</p> <p>The decrease in immigrant visa case numbers from 669,872 in FY '00 to 628,762 in FY '01 was due to the extremely heavy demand from INS for visa numbers to adjust the status of large numbers of aliens already in the United States. The nonimmigrant visa (NIV) demand in FY '01 reached 10,596,194 and was higher than projected, despite the disruption to international travel after September 11. The Border Biometric Program processed 2,333,967 Border Crossing Cards (BCCs). Since Congress did not extend the deadline on which BCCs without biometric indicators expired, demand for new cards surged. The event that had the greatest impact on visa processing prior to September 11 was the passage of the Legal Immigration Family Equity Act, which created two new NIV categories. The first of the new visas was issued on April 1 and by the end of FY '01 posts abroad had processed almost 34,000 of them.</p> <p>Beginning in 1996, using funds derived from Machine Readable Visa (MRV) fees, we undertook a major modernization of consular systems. By March 2001, all visa data collected abroad was being replicated to the Consular Consolidated Database (CCD). In May, consular officers abroad gained access to the CCD. The details of visa issuance, once available only to the post taking action, are now available in real-time to all visa offices worldwide and consular management in Washington. This data and the associated digital photographs of NIV applicants were critical to our ability to support the anti-terrorist task forces after September 11. As FY '02 began, we had searched over 900 nonimmigrant visa records at the request of Federal law enforcement task forces investigating the terrorist attacks. Passport Services provided law enforcement with 305 records. We used facial recognition software to compare the photographs on the visa applications of the hijackers against other photographs in the CCD, but found no evidence that they had applied using different names. We took steps to enhance the integrity of the nonimmigrant visa by developing a new, even more secure MRV. We also worked with the Secret Service laboratory to identify a secure ink with which to cancel MRVs that are voided by a consular officer, in order to prevent the "recycling" of expired MRVs.</p>			

FY '01 RESULTS AS OF 9/30/01 (cont'd)

The National Visa Center (NVC) processed 364,837 immigrant visa petitions during the fiscal year, and reviewed an additional 63,900 cases for the completeness of affidavits of support and other documents before sending the cases to consular sections abroad for action. NVC also enhanced border security by running approximately 1.67 million National Crime Information Center namechecks for various types of visas. The Kentucky Consular Center (KCC), established to process the millions of pieces of mail received annually by the Diversity Visa (DV) "Lottery" program, began operation. The concept of both centers is to centralize critical processing functions in the United States to allow leaner operations to run at posts abroad. To ensure the availability of information needed for effective visa adjudication, we deployed facial recognition software to the KCC to combat a problem of multiple DV applications under assumed identities.

We issued a Request for Proposal To Establish a Consular Contact Center to facilitate public information programs. We developed and piloted at three sites a Web-based system called INSAMS (INS Allocation Management System), with which INS officers can obtain authorization to use immigrant visa numbers around the clock. We coordinated with the Salt Lake Organizing Committee to develop and test the Olympic Visa Information Database (OVID) to issue U.S. visas electronically on Olympic and Paralympic Identity Cards for accredited participants in the 2002 Olympics.

MRV fees financed the salary and basic benefits of over 2,000 American employees who provide worldwide consular services, including 35 new entry-level overseas consular positions. To cover staffing gaps and address increased workload worldwide, we increased the number of WAE and other TDY assignments from 106 in FY '00 to 235 in FY '01 (person/years of assistance grew from 19 to 33 in the same period.) We provided nearly 800 small-footprint computers to posts for use in interview windows, making it possible for posts with minimal space to have easy access to on-line information when speaking to visa applicants. We initiated a deployment of stand-by Oracle servers to posts, providing a readily available back-up contingency in case of catastrophic server failure.

CA and FSI worked together to provide 21st century management tools to consular employees. CA provided \$1.782 million in funding for FSI training for consular personnel and supported FSI regional consular leadership and development conferences for mid-level officers. Consular trainers made 161 trips to posts for refresher training in automated systems. We conducted four weeklong fraud courses for consular personnel (an increase of 25 percent) and provided anti-fraud training at 8 conferences. We provided basic training on fraud issues to approximately 500 new personnel who will be going overseas to adjudicate visas and passports. Using the consular Intranet home page, we made up-to-date guidance and reference materials (including consular policy guides and training manuals) available to consular personnel. We also used the Intranet to facilitate long-distance interaction between posts and Washington and provide on-line training.

We are working to widen the flow of information to relevant Federal Inspection Services. We deployed a pilot program to share NIV data with INS inspectors at Newark and Miami and with the INS forensic document lab and are prepared to share all replicated NIV files in the CCD as soon as INS is ready to receive them.

We enhanced the capabilities of the namecheck system by deploying a Russo-Slavic algorithm. Since February 2001, information on all lost and stolen foreign passports reported to State has been entered into the Consular Lookout and Support System (CLASS) and transmitted to the Interagency Border Inspection System (IBIS). We developed an e-form by which posts can report lost/stolen foreign passports with U.S. visas in them, resulting in a 500 percent increase in notifications. Transmission of information on lost/stolen U.S. passports to IBIS began in London.

FY '01 RESULTS AS OF 9/30/01 (cont'd)

We gained final agreement from the U.S. Customs Service for the transfer of 18,000 lookouts containing "serious violator" data. The lookouts will come from Customs through IBIS early in FY '02. CLASS already transmits its most serious lookouts electronically to IBIS for use by other agencies.

In FY '01, Canada, with which we have shared terrorist lookout information since 1998, began reciprocal sharing via TIPOFF, a counterterrorism tool funded by CA and maintained INR utilizing sensitive intelligence and law enforcement information contributed by the CIA, NSA, and FBI to watchlist known or suspected terrorists. TIPOFF adds lookouts directly to the CLASS namecheck database, where they are immediately available to posts worldwide. TIPOFF records currently comprise more than 48,000 of the 5.8 million entries on aliens in the CLASS system. A subset of these entries, held to a higher standard of biographic data, is also entered in the IBIS port-of-entry namecheck system, operated by INS and Customs. There are more than 23,000 TIPOFF entries in IBIS. The terrorist attacks of September 11 caused other agencies to share a great deal of information regarding terrorists with the Department of State. The number of TIPOFF entries into CLASS ranged from 256 to 364 per month in June–August 2001. In September, 990 entries were made. Preliminary figures indicate that in FY '01, there were 178 true TIPOFF hits for visa applicants checked through CLASS and 86 true hits from the terrorism database at ports of entry.

In FY '02, we will see further fruits of our efforts to obtain law enforcement and intelligence information that will aid in efforts to keep terrorists and other criminals out of the United States. A legal basis for access to certain FBI crime information and other provisions we had sought were included in the USA PATRIOT Act, enacted in October 2001. Visa processes will be scrutinized and changes made. We anticipate sharing all visa information with INS ports of entry. We are working closely with the Homeland Security Council, Customs, INS, and other relevant agencies to strengthen border security measures with Canada and Mexico. Other interagency data sharing and cooperation will increase, with the result our officers abroad will be better equipped to identify aliens who threaten U.S. interests.

Performance Indicator		FY '99 Baseline	FY '00 Actual	FY '01 Target	FY '01 Actual
Immigrant Visa Cases		713,000	715,000	715,000	628,762
Nonimmigrant Visa Cases		9,100,000	9,300,000	9,800,000	10,596,194
Verification	Source: CA's Corporate Database Storage: CA's Corporate Data Base Validation: no known data source outside the Department of State				
Countries	Worldwide				
Lead Agency	Department of State/CA (A, DS, DTS-PO, FMP, FSI, IO, HR, INR, IRM, Geographic Bureaus)				
Partners	Department of Justice (Including INS, Drug Enforcement Administration), Customs, APHIS, Federal Bureau of Investigation, Intelligence Community, Department of Defense, Department of Energy, Health and Human Services (CDC), FAA, Treasury (IRS), Social Security Administration				

INTERNATIONAL CRIME



Over the course of FY '01, the Department determined that the clarity and focus of planning for programs in support of this Strategic Goal could be improved by reducing from nine to two the number of Performance Goals listed in the FY '01-02 Performance Plan. It was also determined that the two Outcomes Desired more accurately functioned as these two Performance Goals. Finally, it was decided that the nine original Performance Goals should be included as part of the Strategy and Tactics for reaching these goals. Accordingly, the two revised Performance Goals for minimizing the impact of international crime on the United States and its citizens are: 1) Improved law enforcement and criminal justice institutions in targeted countries and 2) Strengthened international cooperation against transnational organized crime. The following reflects that revision.

International crime poses a serious threat to Americans at home and abroad. Trafficking in drugs and arms, terrorism, money laundering, trafficking in women and children, alien smuggling, counterfeiting, auto theft, intellectual property theft, cyber crime, and public corruption are all international in scope and cost Americans billions of dollars each year. They also affect U.S. interests in stability, immigration, and democracy.

Given the global character and transnational reach of organized crime today, international cooperation on criminal justice issues is central to U.S. efforts to minimize the impact of transnational crime on the United States and its citizens. No amount of effort by a single country can have a lasting impact. In addition to diplomatic tools and initiatives, the Department draws upon the expertise of Federal, state, and local law enforcement and judicial agencies and nongovernmental organizations to provide criminal justice sector training, equipment, and technical assistance to help foreign governments act against international crime and to enhance their ability to provide the United States the assistance we need to identify, prosecute, and convict international criminals. This is a long-term process but one that has seen clear progress in several key areas over recent years and particularly in Fiscal Year 2001.

Building Relationships Through Training. Training is a core element of the Department's strategy for combating transnational crime. Training not only imparts key skills to law enforcement officials, it builds relationships between U.S. enforcement agencies providing the training and their foreign counterparts and strengthens cooperation at the operational level. By helping to build justice sectors manned by officials who are trained to be competent, fair, and committed to the rule of law, such programs also serve the U.S. national interest in supporting democratic development abroad.

In 2001, the Department opened a regional International Law Enforcement Academy (ILEA) in Gaborone, Botswana, which will initially serve southern and eventually all of Africa. This brings to three the number of regional ILEAs (others are in Bangkok and Budapest), which provide U.S. training keyed to regional issues and problems. The Department also opened an ILEA in Roswell, New Mexico, that provides advanced training for graduates of the three regional ILEAs. Plans are underway to open an ILEA to serve Latin America. Overall, through ILEAs and bilateral training programs, the Department provided training for more than 11,500 law enforcement officials in more than 120 countries in 2001. Department post-training assessments indicate that foreign law enforcement officials who receive U.S. training tend to move more quickly into leadership positions, which multiplies the impact of the training.

UN Convention on Transnational Organized Crime. With U.S. financial and political support, the international community completed 3 years of hard work on the Transnational Organized Crime Convention (TOCC) and three supplementary protocols (trafficking in persons, migrant smuggling, and trafficking in firearms), which obligate governments to strengthen laws against international crime and encourages cooperation among states. More than 140 states have signed the TOCC, with the United States assisting those states needing help in developing the necessary legislation and other legal changes to implement the convention.

Anticorruption. Corruption routinely affects American interests overseas. It facilitates crime, impedes global economic activity of U.S. firms, stifles economic activity and investment in developing countries, and can even threaten the stability of democratic regimes. To strengthen international norms against corruption—many countries do not regard corruption as a serious crime—the Department is providing political and financial support for the start-up of negotiations on an international convention on corruption. Negotiators completed agreement on the terms of reference and a draft text in 2001 and will begin formal negotiations on the convention in early 2002. To help maintain the international spotlight on anticorruption issues, the United States and the Netherlands cosponsored the second Global Forum on Corruption in The Hague, which drew ministers and senior officials from 143 states. The first Global Forum on Corruption was held in Washington in 1999.

Money-laundering. A common trait shared by transnational crime groups, narcotics traffickers, and terrorist groups is their need to launder money used in their operations and to move it surreptitiously around the international banking system. The Department works with other countries, both bilaterally and in multilateral forums, on ways to increase banking transparency, tighten practices against money laundering, make it easier to seize assets from such operations, and reduce and ultimately eliminate “safe havens” for illegal money. Working with the other 27 members of the multinational Financial Action Task Force (FATF), which focuses on money-laundering, the Departments of State and Treasury identified 8 additional states as “non-cooperating countries and territories” (NCCTs) and helped 4 other jurisdictions “graduate” from the list by improving their performance. This brings the current total of NCCTs to 19, all of which face diplomatic and other pressure by FATF members to improve their anti-money laundering policies and practices. The Department also provided political support for and technical assistance to efforts to form regional FATF-like bodies in South America and one for Eastern and Southern Africa. In 2001, the Department provided assistance to 27 states to improve their anti-money laundering systems. U.S. assistance in establishing anti-money laundering units in Thailand and Paraguay, for example, yielded their first-ever prosecutions for money laundering. Following the September 11 attacks, the United States shifted focus to terrorist financing nations; but even here, the training and institutional development will support our broader anti-money laundering goals and objectives.

Trafficking in Persons. Each year, more than 700,000 people—mostly women and children—are transported across national borders, where they are subjected to various forms of sexual and economic exploitation. Some 50,000 of these are smuggled into the United States. To help combat this growing problem, the Department published the first annual Trafficking in Persons (TIP) Report in July, which assessed global trafficking trends and identified 23 countries as key areas of concern and as possible recipients for U.S. anti-trafficking assistance. The Department also set up an interagency Office on Trafficking in Persons to coordinate interagency information and policy and to serve as the secretariat for the newly created interagency cabinet-level Task Force on Trafficking in Persons. The Office formally opened in October 2001.

Alien Smuggling. To combat the growing problem of alien smuggling, the Department took steps to establish an interagency migrant Smuggling and Trafficking Center that will coordinate policy and intelligence on smuggling activities and help with disruption operations. Combating alien smuggling has been an uphill struggle because many governments consider it to be a victimless crime since most aliens are seeking better economic lives. In the aftermath of the September 11 attacks, however, many governments have begun focusing on the need for better border security. The Center is scheduled to open in early 2002.

States in Transition. The Department continues to play an active role in rebuilding police and criminal justice systems in states undergoing transition from civil strife. Working with the UN Mission in Kosovo, the Department helped build, from the ground up, a new 4,000-strong multiethnic police force that provides day-to-day policing for Kosovo. The Department provided more than 800 American policemen as part of peacekeeping operations in Bosnia, Kosovo, and East Timor and supported multiethnic police training in Southern Serbia and Macedonia.

Africa. To strengthen African anticrime efforts, the Department conducted national assessments for six countries (Benin, Ghana, Nigeria, Senegal, South Africa and Togo) to help determine the best mix of anticrime assistance and negotiated agreements with several of these countries to provide technical assistance and equipment.

National Interest	Law Enforcement	Performance Goal #	IC-01
Strategic Goal			
Minimize the impact of international crime on the United States and its citizens.			
Performance Goal			
Improved law enforcement and criminal justice institutions in targeted countries.			
FY '01 RESULTS AS OF 9/30/01			
<p>Given the global character and transnational reach of organized crime today, international cooperation on criminal justice issues, backed by funding for effective programs, is central to minimizing the impact of crime on the United States and its citizens. No amount of effort by a single country can have a lasting impact. The Department draws upon the expertise of Federal, state, and local law enforcement and judicial agencies and nongovernment organizations to provide criminal justice sector training, equipment, and technical assistance to help foreign governments act against international crime and to enhance their ability to provide the United States with improved assistance to identify, investigate, and arrest and prosecute international criminals. This is a long-term goal and a continuing process that saw several key accomplishments and steps forward in FY '01.</p> <p>Training. In August, the Department opened an International Law Enforcement Academy (ILEA) in Gaborone, Botswana, bringing to three the number of regional ILEAs (others are in Bangkok and Budapest). The Department also opened an ILEA in Roswell, New Mexico, to provide advanced training for graduates of the regional ILEAs. Through the ILEAs and bilateral training programs, the Department provided anti-crime training for more than 11,500 foreign law enforcement officials (target was 4,300) around the globe in 2001 and supported national training programs in Mexico, Guatemala, Peru, Ecuador, and elsewhere. Such training not only imparts key skills in law enforcement, it also builds relationships between the U.S. agencies providing the training (DOJ, DEA, FBI, Customs, INS, Coast Guard, DOD, others) and their foreign counterparts that pay important dividends at the operational level. By helping to build justice sectors manned by officials who are trained to be fair, competent, and committed to the rule of law, such programs also serve the U.S. national interest in supporting democratic development abroad. The Department will continue to give priority to training and is currently planning to establish an ILEA for Latin America in FY '02.</p> <p>Training Assessments. To ensure quality, the Department conducted post-training assessments in five countries, which indicated that trainees are using their new skills in the field, that U.S. training standards and concepts are being incorporated into national training curriculums, and that U.S. trainees are more likely to move into leadership positions.</p> <p>Office To Monitor and Combat Trafficking in Persons. Although the Office did not formally open until October 2001, an embryonic staff prepared the Department's first Trafficking in Persons (TIP) report in July 2001, which identified 23 states as failing to meet the minimum the standards of the Victims of Trafficking and Violence Act (2000) and as possible candidates for U.S. assistance to combat trafficking.</p>			

FY '01 RESULTS AS OF 9/30/01 (cont'd)

Migrant Smuggling and Trafficking in Persons Coordination Center. The start-up of the Center has been delayed until early 2002. The Office will coordinate interagency intelligence (real-time and longer term) on smuggling and trafficking and help fund special disruption operations in selected areas in coordination with foreign governments. Since some terrorist groups use smuggling rings to infiltrate their operatives, the Center's operations will also support U.S. counter-terrorism efforts.

African Crime Programs. To lay the foundation for expanded anticrime programs in Africa, the Department completed national assessments for six states (Benin, Ghana, Nigeria, Senegal, South Africa, and Togo) that will help determine the appropriate mix of anticrime assistance.

Balkans. Although not reflected in the FY '01 Plan, working under the umbrella of UNMIK (UN Interim Administration in Kosovo), the United States led in building, from the ground up, the new Kosovo Police Service by helping train 4,000 new multiethnic officers, who are now performing first-line policing functions independently. The Department also helped develop the (first-ever) unit for dealing with anti-organized crime/terrorism/extremism capabilities within a peacekeeping force and supported training of multiethnic police in Southern Serbia and Macedonia.

Management Controls. To improve management controls and cost-effectiveness of anticrime and anti-drug assistance programs, the Department introduced two changes in 2001: 1) all programs now require formal letters of agreement (LOA) that identify specific results and measures of effectiveness and ensure host government commitment to cooperation; 2) The Department is moving from a Washington-driven, off-the-shelf approach to training and assistance to a project-based, Embassy-led approach in which each element of training or other assistance must contribute directly to a specific, self-sustaining larger project goal. Examples are projects to strengthen border controls in Russia and central Asia, which include coordinated and integrated training and assistance for customs, immigration, drug enforcement, counterterrorism/police, and port security officials.

Coordination with other agencies has generally been good. The September 11 attacks have placed demands on some of our training agencies—DOJ, FBI, and DEA—that may cause us to restructure training priorities for the immediate future.

Looking ahead. In the aftermath of the September 11 attacks and under strong U.S. pressure, many states have taken steps to strengthen money-laundering laws and regimes. While aimed primarily at terrorist financing, these steps will also have an impact on money-laundering efforts in general by organized crime groups. The opening of the Trafficking Office and Smuggling Center should strengthen enforcement operations in these areas. The planned ILEA for Latin America will upgrade training by focusing on regional issues and problems.

Validity of Indicators. Training is perhaps the single most important element for upgrading the professionalism and general performance of law enforcement officials. However, it is increasingly clear that training of one sector of the police alone is not sufficient.

Performance Indicator		FY '00 Baseline	FY '01 Target	FY '01 Actual
Number of ILEAs established		2	4	4
Number of students trained:				
• ILEA students		1,800/1,100	2,700/1,500*	1,412*
• Other program students		4,300/9,430*	4,350*	11,500*
<p>* Over the course of the year, it was determined that training figures for the FY 2000 Base and FY 2001 Targets contained in the FY 2001–02 Department Plan overstated ILEA training and greatly understated the figure for “Other program students.” The table above provides the correct figures. The figure to the left of the slash is the original figure and the one to the right is the revised figure. One reason for the understatement of “Other” programs was that the original figures included only INL crime funding. The revised figures include funding from all sources, including FSA (Freedom Support Act) and SEED (Support for Eastern European Democracy).</p>				
Performance Indicator		FY '00 Baseline	FY '01 Target	FY '01 Actual
Assessments for African anti-crime program requirements		0	6	6
Number of MSTCC anti-smuggling/trafficking operations		0	0	0
Verification	Data Source: ILEA, Embassy, INL Training Office, and other U.S. Government law enforcement agencies Data Storage: ILEA, INL Frequency: quarterly			
Country	Worldwide			
Lead	Lead: Department of State's Regional Bureaus, Bureau of Diplomatic Security			
Partners	Department. of Justice, Federal Bureau of Information, Drug Enforcement Administration, Treasury, ATF, Customs, Secret Service, Internal Revenue Service, Central Intelligence Agency, Dept. of Energy, EPA, Financial Crimes Enforcement Network (FinCen), Federal Judicial Center, Federal Law Enforcement Training Center, Federal Reserve Board, ICITAP, INS, National Institute for Drug Abuse, National Institute of Justice, OCC, Overseas Professional Development, Assistance and Training (OPDAT), OTA, U.S. Coast Guard, U.S. Office of Government Ethics, U.S. Patent and Trademark Office			
Assumptions and External Factors	<ul style="list-style-type: none"> Increasing globalization of crime requires additional cooperation among law enforcement agencies across national borders. Foreign governments have the political will to professionalize the capabilities of law enforcement and criminal justice institutions, and to correct, as necessary, their laws and judicial systems. 			

National Interest	Law Enforcement	Performance Goal #	IC-02
Strategic Goal			
Minimize the impact of international crime on the United States and its citizens.			
Performance Goal			
Strengthened international cooperation against international organized crime.			
FY '01 RESULTS AS OF 9/30/01			
<p>In combating transnational organized crime, strengthening the national justice sectors of foreign governments is one side of the coin (Goal IC-01). The other side is strengthened cooperation among members of the international community through the UN and other international organizations and regional bodies. By working collectively, states can set international norms and standards that improve cooperation among states, provide domestic political cover for governments seeking to reform their justice sectors, and serve as a diplomatic hammer against recalcitrant governments. FY '01 saw major steps forward in establishing international norms against transnational organized crime, in laying the groundwork for international cooperation on anticorruption, in strengthening international cooperation and pressure against money-laundering, and in advancing law enforcement cooperation among the Group of Eight (G-8).</p> <p>Transnational Organized Crime Convention (TOCC). Following 3 years of hard work, the international community completed work on the TOCC and three supplemental protocols (trafficking in persons, migrant smuggling, and trafficking in firearms) in FY '01. More than 140 states have signed the TOCC, which obligates governments to strengthen laws against international crime and encourages cooperation among states, which significantly expands the ability of the United States to work with other states on organized crime investigations and prosecutions. The Department, which funded and provided political support for the negotiations, is now pressing governments to ratify and implement the Convention/protocols and is assisting states needing help in developing the necessary legislation and other legal changes.</p> <p>Anti-Corruption. The Department is also providing similar support for the start-up of negotiations on an international convention on corruption. Negotiators agreed on the terms of reference and a draft text in FY '01 to begin formal negotiations in January 2002. To help maintain the international spotlight on corruption issues, the United States and the Netherlands co-sponsored the second Global Forum on Corruption in The Hague in May, which was attended by ministers and senior officials from 143 states. The Department also worked with regional organization to strengthen anti-corruption efforts, including endorsement by 17 Asian and Pacific countries of the first regional anticorruption action plan for Asia. We actively supported the move when parties to the Inter-American Convention on Corruption to begin work on a monitoring mechanism for the convention. In addition, the Department facilitated a Washington meeting of ministers from the Global Coalition of Africa aimed at advancing anticorruption principles.</p> <p>Department plans to increase voluntary donor support for the UN Crime Center by 25 percent in FY '01 fell short because management problems at the UN Crime/Drug offices caused potential donors to hold back. Following management reform during 2001 and a leadership change at the end of the year, we expect contributions to rebound in FY '02 and will relaunch our efforts to expand the donor base.</p> <p>G-8. The Department continued to spearhead the active and effective Lyon Experts Group on Organized Crime, which focuses on practical aspects of cooperation on crime issues. Cooperation agreements and practices among Lyon Group members normally become expanded to include the EU and other states. In 2001, Lyon Group member states agreed, inter alia, to set up 24/ 7 points of contact in key law enforcement agencies for responding to computer crimes and began work on a multilateral child pornography data base to help combat such crimes. Following the September 11 attacks, the Lyon Group and the G-8 Counter-terrorism Experts Group joined forces to develop a 25-point Action Plan of coordination on counterterrorism.</p>			

FY '01 RESULTS AS OF 9/30/01

Anti-Money Laundering. Prior to the September 11 attacks, the United States focus was on working through the 29-member Financial Action Task Force (FATF) to identify "non-cooperating countries and territories" (NCCTs) and to provide anti-money laundering assistance to those NCCTs important to the United States that were willing to pass anti-money laundering laws and improve their anti-money laundering regimes. During 2001, 4 countries "graduated" from the list of NCCTs while 8 countries were reviewed and added to the list, bringing to 19 the total number of NCCTs currently on the list. The United States provided assistance to 27 states to improve their anti-money laundering systems. The United States also actively supported establishment of several regional FATF-like organizations in Latin America and East Africa. After September 11, attention shifted to terrorist-financing countries.

Looking ahead. The United States will be working with other states to tighten anti-money laundering laws and regulations, increase border security (especially for states that bordering on Afghanistan, including Pakistan), and to advance and broaden anticorruption norms.

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Status of TOCC and Protocols and Implementation	Negotiations of all instruments are on-going	Successful: Main convention and all three protocols are completed. Unsuccessful: None of the 4 instruments are completed and negotiations continue on all documents.	Main Convention and all three protocols completed. 132 states signed.
Status of international corruption instrument	CICP Secretariat receives mandate to complete comprehensive study of existing work on corruption.	Successful: CICP Secretariat completes comprehensive study of existing work on corruption, and expert group and Crime Commission take up issue of terms of reference Unsuccessful: Expert group and Commission define terms of reference and determine to proceed with corruption negotiations despite the fact that TOCC and protocol negotiations continue.	Terms of reference and draft text completed.
Overall level and sources of funding of CICP	Approximately 15 countries contribute approximately \$2.5 million annually.	Successful: voluntary contributions to CICP increase by 25% Unsuccessful: voluntary contributions decrease following critical UN auditor's report on management issues.	Minimally successful: Voluntary contributions increased by 8 percent due to management problems at CICP.
Level of U.S. funding to CICP	\$750,000	Successful: \$1.2 million Unsuccessful: decreased contribution to CICP	Successful: \$2.5 million

Performance Indicator	FY '00 Actual	FY '01 Target	FY '01 Actual
Level of cooperation in multilateral forums	National and regional differences frequently dominate cooperative efforts, despite acknowledgment of shared problems.	<p>Successful: development of strategy and action plan for implementation of TOCC leads to increased cooperation in traditional multilateral forums</p> <p>Unsuccessful: negotiations cease on 1 or more of the 4 instruments because of lack of agreement</p>	Negotiators developed plan of action; negotiations start off on good basis.
Verification	<ul style="list-style-type: none"> Existence of and progress on technical assistance programs Completion of negotiated TOCC and protocol documents Progress on negotiation of international corruption instrument Funding levels for CICP <p>Data Source: CICP, INL, UNVIE, various multilateral forums</p> <p>Data Storage: INL, CICP</p> <p>Frequency: annual</p>		
Country	Worldwide		
Lead & Partners	Lead: Department of State - INL Partners: IO, INR, regional bureaus, G-8, Lyon Group, FATF, Organization of American States, European Union, United Nations, Department of Justice, Department of Treasury		
Assumptions and External Factors	<ul style="list-style-type: none"> The United States will continue to support CICP. Other states will share U.S. goals of cooperating to combat transnational crime. Other states continue to support CICP. 		

National Interest	Law Enforcement	Performance Goal #	ID-01
Strategic Goal			
Reduce the entry of illegal drugs into the United States.			
Performance Goal			
Increased effectiveness of foreign governments in reducing the cultivation of coca, opium poppy, and marijuana.			
FY '01 RESULTS AS OF 9/30/01			
<p>The most effective means of reducing the illegal drug supply is to target drug production at the source through a combination of enforcement, eradication, and alternative development programs. In terms of program funding, the primary U.S. focus is the Andean Region, currently the sole source of the world's cocaine production and the main source of heroin entering the United States. The Andean Regional Initiative (ARI) combines law enforcement—eradication of coca cultivation, destruction of law and processing facilities, and interdiction of and breakup of trafficking organizations—with economic incentives, including alternative development coupled with broader institution-building in the justice and rule of law sectors. A similar but less extensive strategy applies to the poppy-growing areas of Asia. Despite problems, eradication and alternative development programs are achieving success.</p> <p>In Colombia. The U.S.-funded aerial eradication program expanded considerably, spraying over 84,000 (est.) hectares of coca production (goal was 100,000) and more than 1,800 hectares (goal was 10,000) of poppy. The threat of the expanded spray program spurred participation in the alternative development programs, leading to 33 agreements covering more than 37,000 families and approximately 37,000 hectares of coca cultivation. However, the level of violence associated with the struggle between the leading guerrilla group (the FARC) and paramilitaries to control the drug trade in southern Colombia, especially Putumayo, coupled with poor soil conditions, poses serious obstacles to alternative development programs in that area.</p> <p>In Bolivia. Violence against eradication authorities and alternative development workers, high coca prices, and government concessions to demands by coca growers has hampered eradication efforts and overall cultivation has increased since FY '00. Even so, the area under cultivation remains well below the level of several years ago.</p> <p>In Peru. Peru's eradication program proceeded largely on schedule, with 4,000 hectares of coca eradicated over the first 10 months of 2001 (2001 goal was 4,500). Some 15,000 farmers were involved in over 27,000 hectares of licit agriculture in ex-coca cultivating area. In three of five targeted areas, the value of licit crops exceeds that of coca. However, Government failure to maintain pressure on coca communities allowed replanting that essentially kept pace with eradication efforts. The area under cultivation remains well below the figure of several years ago.</p> <p>In Pakistan. Along with Bolivia and Peru, Pakistan is a model for a successful eradication program, but for opium poppy rather than coca. In 2001, Department programs helped Pakistan further reduce remaining pockets of production and to expand alternative development programs, including in the Khyber area, which historically has been the site of most heroin laboratories in Pakistan.</p> <p>In Thailand. A major producer of opium poppies as late the mid-1980's, Thailand is now a net importer of opium and heroin thanks to a vigorous program of eradication and alternative development supported by U.S. funding. In 2001, the cultivation of opium poppy remained below 1,000 hectares, for the third year in a row.</p>			

FY '01 RESULTS AS OF 9/30/01 (cont'd)

External factors. Suspension of the air-interdiction program in Peru following the April 2001 shoot down of the missionary aircraft may have increased trafficking by air, but there is no hard data to confirm this. Political violence directed against eradication/alternative development in Bolivia has undermined the government's political commitment. The impact of September 11 on drug trafficking operations out of Latin America and the Caribbean is not yet clear. Some reports indicate that traffickers are being scared off by increased vigilance at U.S. ports of entry while others claim that traffickers have been emboldened by the shift of law enforcement resources, including DEA resources, to counterterrorism efforts.

Looking ahead. U.S. programs and policy will continue to target drug production at the source, including an expanded aerial spray program in Colombia. Assistance to Latin America will have more of a regional focus, including greater development assistance and institution building in support of eradication and greater law enforcement for neighboring Venezuela, Brazil, Ecuador, and Panama to avoid spillover from counternarcotics activities in Colombia. In Afghanistan, opium poppy cultivation is down some 98 percent from a year ago, when Afghanistan was the world's leading producer. A key element of our approach to a post-conflict Afghanistan reconstruction will be to incorporate effective counternarcotics measures, including effective sustainment of the poppy ban.

Validity of indicators. Most statistics on crop cultivation/eradication are provided by host governments. In some limited cases, such as the aerial spray program in Colombia, U.S. authorities conduct their own surveys. Even so, there is some interagency disagreement over amount under cultivation and the number of hectares destroyed by spraying. The United States and Mexico are currently working on a joint opium yield survey to improve estimates for heroin production in Mexico.

Performance Indicator		FY '00 Baseline	FY '01 Target	FY '01 Actual
Number of hectares of illicit coca under cultivation		183,000	175,380	223,700
Number of hectares of illicit opium under cultivation		178,755	155,125	143,918
Number of hectares of marijuana under cultivation		8,700	7,600	8,900
Number of regional and international prevention summits		2	2	3
Country	Colombia, Peru, Bolivia, Mexico, Burma, Afghanistan, Thailand, Laos, India, Pakistan, Vietnam			
Lead	Department of State's Regional Bureaus, INR, IO and OES, U.S. Agency for International Development			
Partners	UNDCP, Drug Enforcement Agency, CIA, OAS/CICAD, ONDCP, ASEAN			
Verification and Validation	Data Source: CIA surveys, Embassy reporting Data Storage: CIA, INL Frequency: annual			

National Interest	Law Enforcement	Performance Goal #	ID-02
Strategic Goal			
Reduce the entry of illegal drugs into the United States.			
Performance Goal			
Increased effectiveness of foreign governments in breaking up major drug trafficking organizations and in investigating, prosecuting and convicting major traffickers.			
FY '01 RESULTS AS OF 9/30/01			
Strengthening the counterdrug capabilities of the broad range of foreign governments requires a combination of diplomatic activism and technical support delivered through bilateral, multilateral, and unilateral channels. This is a long-term process that has produced significant results over the years in terms of improved cooperation with partner nations and greater effectiveness by partners in countering drug production and trafficking.			
As is the case with anticrime programs, training remains a core activity. In FY '01, the Department reached its goal of training 1,800 foreign law enforcement officers in counternarcotics (in addition to the 11,500 receiving anticrime training).			
In Colombia, the United States trained and equipped a counternarcotics brigade (three battalions) and provided additional airlift (30 helicopters), as well as other equipment, for Colombian police and military counternarcotics units. The Colombian Army's counternarcotics brigade found and destroyed more than 800 base labs (target was 370) and 21 HCL labs (target was 15). Colombia extradited 23 drug lords to the United States, twice the annual rate of the previous 3 years. We also designated the Self-Defense Forces of Colombia (AUC), a rightwing paramilitary group that derives some of its financing from drug-trafficking, as a Foreign Terrorist Organization and are working to disrupt its financing network.			
In Mexico. Most illegal drugs entering the United States come through Mexico. Bilateral cooperation improved considerably in 2001 following President Fox's inaugural pledge for an all-out effort to dismantle the international drug cartels. The Department revamped its programs to support the Fox administration's criminal justice reform plan, concentrating on strengthening key police and prosecutorial units and on reinforcing training institutions. New joint procedures on maritime interdiction have been set up and work is underway for new procedures on aerial interdiction. Cocaine seizures were up nearly 300 percent in 2001 and the number of hectares under opium poppy and marijuana cultivation continued to drop under Mexico's strong eradication program.			
In addition to bilateral programs, a key U.S. strategy is to promote multilateral approaches. Such approaches highlight the international nature of the problems caused by drugs, generate increased "buy-in" by more countries, broaden the base of support, stimulate contributions by other donors, allow us to reach regions where U.S. influence is limited, and often prove more palatable politically to countries with sovereignty sensitivities. Important in FY '01 include the following.			
United Nations (UN). For most countries, the UN is their primary—or only—vehicle for contributing to international drug and crime controls efforts. By the end of 2001, 162 countries had ratified the 1988 UN Drug Convention (target was 155). Working through the UN International Drug Control Program (UNDCP), the United States has led or supported a variety of important initiatives. In Laos, UNDCP has started work on alternative development projects in Phongsali Province, the largest source of the country's opium. The United States, through the UNDCP, has fostered an expansion of the Southeast Asia program that targets the second largest opium producer—Burma—where opium production is beginning to decline due to key alternative development projects in the Wa Region. Through UNDCP, the Department sponsored a regional conference in which conferees adopted the ACCORD (ASEAN and China Cooperative Operations in Response to Dangerous Drugs) Action Plan calling for various joint actions leading to a drug-free ASEAN (Association of South East Asian Nations) by 2015			

FY '01 RESULTS AS OF 9/30/01 (cont'd)

Organization of American States (OAS). The OAS has become a major partner in the United States' anti-drug efforts in the Western Hemisphere. The Department is the primary source of funding for OAS's Inter-American Drug Abuse Control Commission (CICAD), which carried out the first (baseline) round of the OAS Multilateral Evaluation Mechanism (MEM), the peer review system for evaluating national and regional counternarcotics performances in implementing the goals of the UN Drug Convention and the Western Hemisphere's Anti-Drug Strategy. Completion of the full evaluation is set for early FY '02. The EU, UN, and other bodies are watching the MEM as a possible model for monitoring national compliance with other multilateral agreements or conventions.

Colombo Plan. Of all the international organizations, the Colombo Plan has the most productive counterdrug working relationship with Muslim-based organizations. Through its support of the Colombo Plan's drug programs, the United States has helped countries in Southwest and Southeast Asia develop national level drug secretariats similar to the United States Office of National Drug Control Policy as well as a range of public education and demand reduction programs. In the process, the United States has used its contributions to leverage increased commitment from other donors.

The Department also regularly employs unilateral measures to help pressure major source and trafficking countries into taking counterdrug steps. As part of the presidential counternarcotics certification process in 2001, the Department publicly identified 24 states as major illicit drug-producing and drugtransit states ("Majors List") and denied assistance and imposed other penalties on two of these countries (two others received vital national interest waivers). The Department also published the annual International Narcotics Strategy Control Report (INSCR), which is the most comprehensive public source on the counternarcotics and anti-money-laundering policies, practices, and performances of every foreign government.

Looking ahead. Colombian counternarcotics efforts will be closely monitored in light of the upcoming Presidential election in May and the impact of eliminating the FARC "despeje" (DMZ) in southern Colombia. We anticipate that U.S.-Mexican cooperation will continue to improve, which should increase the effectiveness of interdiction efforts against drugs entering through our southern border. Completion of the MEM evaluation should open the way for strengthened national controls and improved multilateral cooperation both within the Western Hemisphere and elsewhere.

Performance Indicator		FY '99 Baseline	FY '00 Baseline	FY '01 Target	FY '01 Actual
Number of countries party to the 1988 United Nations Drug Convention		No data	152	155	162
Number of foreign law enforcement personnel trained		No data	1,200	1,500	1,662
Verification		Data Source: Mission reporting, INL Training Office reporting, other U.S. Government agency training reporting Data Storage: INL Frequency: annual			
Country	Worldwide				
Lead & Partners	Lead: Department of State’s Regional Bureaus; Partners: DS and IO				
Partners	U.S. Agency for International Development, UNDCP, Drug Enforcement Administration, Customs, Coast Guard, Central Intelligence Agency, the Association of South East Asian Nations, OAS/CICAD, ONDCP, Department of Defense				

COUNTERING TERRORISM



The Department of State's goals are and will be to strengthen international determination, cooperation, and tools to prevent terrorist attacks and to catch and punish terrorists. Further, our resolve is to prevent terrorists from attacking American citizens and prevent a repetition of major attacks.

This goal was partially achieved. Particularly after September 11, through a series of consultations by the Secretary, the Coordinator for Counterterrorism, and the passage of a UN Security Council resolution which determined, for the first time, that terrorism was a threat to international peace and security, we forged, a coalition of concerned states which have taken concrete and effective action to roll up terrorist cells, cut off terrorist financing, and limit terrorists' freedom of movement.

Our strategies to achieve this goal have been effective. EO 13224, UNSCR 1373, and the USA Patriot's Act have all served not only to stigmatize terrorists but also to freeze their assets and keep them from traveling to the United States. An increasing number of states have or are in the process of strengthening their laws to criminalize terrorist acts; and 132 have signed the international convention for the suppression of terrorist financing. more have ratified UN counterterrorism conventions. Expanded law enforcement and

intelligence cooperation has yielded important results with the disruption of plots and arrests of Al Qaida-linked terrorists in countries as diverse as Italy and Singapore. Our continuing work with the NGO community has sensitized them to the dangers of terrorist infiltration and illicit fundraising.

External factors played a major role in shaping our program in 2001. The attacks on September 11 galvanized both the government and international community to take new and dramatic steps against "terrorism with a global reach," but also brought vastly increased demands for counterterrorism activities to the Department. These demands helped to validate our strategy, but also made clear the need to apply increased resources to it. This requirement was addressed in the plans for 2002 and 2003.

We call this goal "partially achieved," because the United States and other Governments were unable to prevent the September 11 attacks. However, given the number of variables that are beyond the Department's control, we now recognize that this indicator of our goal, though easily quantifiable, is an unrealistic indicator by which we should measure our performance. Other indicators are being identified for the FY '03 Performance Plan.

National Interest	Law Enforcement	Performance Goal #	TE-01
Strategic Goal			
Reduce international terrorist attacks, especially on the United States and its citizens.			
Outcome Desired			
<ul style="list-style-type: none"> • Reduce the number and lethality of terrorist actions against U.S. interests. • Charge, find, arrest, and render to justice terrorists. • Reduce/eliminate state sponsorship of terrorism. • Delegitimize use of terror by groups as a political instrument. • Enhance international response to incidents to rapidly mitigate effects of terrorist event. • Strengthen international cooperation, political will, and operational capability of countries willing to counter terrorism. 			
Performance Goal			
Strengthen international determination, cooperation, and tools to prevent terrorist attacks and to catch and punish terrorists. Prevent terrorists from attacking American citizens and prevent a repetition of major attacks.			
Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
The number of terrorist attacks against American citizens and interests, the rate of casualties, and the trend in international terrorism worldwide	5 U.S. deaths, 184 U.S. casualties, 169 attacks against U.S. targets in 1999	Reduction in number and lethality of attacks.	Unsuccessful, considering the events of September 11 that caused more than 3,000 deaths in well-planned attacks that evaded detection by United States and foreign security services.
Identification of terrorist threats and prevention of terrorist attacks.	Classified	Reduction in number, lethality of attacks, lethality.	Unsuccessful. September 11 attacks overshadowed potential attacks that were deterred in midyear and potential additional September 11 related incidents.

Performance Indicator	FY '00 Baseline	FY '01 Target	FY '01 Actual
Level of coordination and cooperation among friendly governments in sharing information, techniques, and training	Current level is fair.	Improved coordination, especially with regard to protection and safety of participants at the Athens 2004 Olympics.	Successful. Cooperation greatly increased and counter-terrorism coalition developed post September 11, with greater efforts, especially in Europe, to help disrupt terrorist cells.
Adherence to and use of international treaties on terrorist crimes, including prosecution, extradition, and mutual legal assistance obligations, including the new, U.S.-proposed treaty on suppression of terrorist bombings	19 current signatories to United Nations anti-fundraising convention.	Increased effective recourse to treaties for extraditions and renditions; substantial number of priority countries sign treaty.	Successful. Suppression of Terrorist bombing convention has been signed by 58 nations; terrorism financing by 132.
Successful collection of evidence and obtaining cooperation of witnesses in terrorism cases that can be prosecuted under U.S. laws	Current level is fair.	Increased use of foreign-collected evidence, and witnesses in U.S. prosecutions.	Successful. Cooperation with many countries was enhanced. Specifically, evidence obtained with foreign nations help convict East Africa embassy bombers. Other information assisted in efforts to curb terrorist fundraising.
Level of professionalism, training, and quality of equipment in key friendly countries	Current level is good.	Increased professionalism in ATA-trained countries.	Successful. Prior to September 11, the level of professionalism was acceptable. However, after that date the standard improved dramatically. While cross-board levels are difficult to measure, evaluations indicate increased effectiveness of training.

Performance Indicator		FY '00 Baseline	FY '01 Target	FY '01 Actual
Level of fundraising activity on behalf of terrorist groups.		Classified	Increased sensitivity by fund-raising organizations to danger of terrorist penetration.	Successful. Consensus reached on new regulations governing grants to NGOs and PVOs. The consultation process sensitized participating NGOs to U.S. Government concerns about diversion of resources. Administrative training will be provided to improve their procedures.
Countries	Worldwide			
Lead	Department of State - S/CT			
Partners	Department of Justice, Department of Defense, Central Intelligence Agency, Treasury, Federal Aviation Agency, Department of Energy			
Verification	Data Source: FBIS, and Mission reporting Data Storage: Department of State/INR Frequency: Quarterly review and as required by National Security Council			